



**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS OF  
ARROW EXPLORATION CORP.**

**TO BE HELD ON JULY 19, 2022**

**and**

**MANAGEMENT INFORMATION CIRCULAR AND PROXY STATEMENT**

**DATED JUNE 6, 2022**

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## ARROW EXPLORATION CORP.

### NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON JULY 19, 2022

**NOTICE IS HEREBY GIVEN THAT** an annual general and special meeting (the “**Meeting**”) of holders (“**Shareholders**”) of common shares (“**Common Shares**”) of Arrow Exploration Corp. (the “**Corporation**”) will be held on July 19, 2022 at 10 a.m. (Calgary time) via teleconference. The Meeting shall be held for the following purposes:

1. to receive and consider the financial statements of the Corporation as at and for the year ended December 31, 2021 and the report of the independent auditors thereon;
2. to fix the number of directors to be elected at the Meeting at six (6);
3. to elect directors of the Corporation to hold office until the next annual meeting of Shareholders or until their successors are elected or appointed;
4. to appoint Deloitte LLP, Chartered Professional Accountants, as independent auditors of the Corporation for the ensuing year, at a remuneration to be fixed by the board of directors;
5. to approve the amendment and restatement of the Corporation’s stock option plan;
6. to grant 1,000,000 Options to each of Grant M. Carnie and Maria Charash Koundina in their capacity as independent directors;
7. to ratify, confirm and approve (i) the issuance to Canacol Energy Ltd. (“**Canacol**”) of certain common shares and common share purchase warrant of the Corporation; and (ii) the creation of Canacol as a “control person” of the Corporation for the purposes of the rules of the TSX Venture Exchange as more particularly set out in Management and Information Circular of the Corporation dated June 6, 2021; and
8. to transact such other business as may properly come before the Meeting or any adjournment(s) or postponement thereof.

### IMPORTANT NOTICE

**The Meeting will be held via teleconference. You will not be able to attend the meeting physically. Shareholders are strongly encouraged to vote prior to the meeting by any of the means described in the circular, as in-person voting at the time of the meeting will not be possible.**

The details of all matters proposed to be put before the Shareholders at the Meeting are set forth in the accompanying management information circular and proxy statement of the Corporation dated April 23, 2022 (the “**Information Circular**”).

The record date for the determination of Shareholders entitled to receive notice of, and to vote at, the Meeting is June 9, 2022 (the “**Record Date**”).

**While the Meeting location will be Calgary, Alberta, this Meeting shall be held via teleconference and shall only be accessible through the following telephone numbers:**

- **Local – Toronto:** (+1) 416 764 8658; or
- **Toll Free - North America:** (+1) 888 886 7786;
- **Colombia:** 018005184036; or
- **UK:** 08006522435

This format will help mitigate health and safety risks to the community, shareholders, employees and other stakeholders.

**ALL SHAREHOLDERS ARE STRONGLY ENCOURAGED TO VOTE PRIOR TO THE MEETING BY ANY OF THE MEANS DESCRIBED IN THE CIRCULAR, AS IN-PERSON VOTING AT THE TIME OF THE MEETING WILL NOT BE POSSIBLE.**

The Corporation is using the “notice and access” procedures adopted by the Canadian Securities Administrators for the delivery of the Information Circular. The principal benefit of the notice and access procedure is that it reduces costs and the environmental impact of producing and distributing large quantities of paper documents. Shareholders who have consented to delivery of materials are receiving this Notice of Meeting in an electronic format.

Shareholders will also receive a form of proxy or a voting instruction form in the mail, so that they can vote their Common Shares.

Registered Shareholders are requested to date and sign the form of proxy delivered to them and mail it to, or deposit it with, Computershare Trust Company of Canada, 8<sup>th</sup> Floor, 100 University Ave, Toronto, ON M5J 2Y1, or complete the form of proxy online at [www.investorvote.com](http://www.investorvote.com). In order to be valid and acted upon at the Meeting, forms of proxy must be received as aforesaid not later than 10 a.m. (Calgary time) on July 15, 2022 and not later than 48 hours (excluding Saturdays, Sundays and holidays) prior to any adjournment(s) of the Meeting.

If you are a non-registered Shareholder, please complete and return the voting instruction form or other authorization form provided to you in accordance with the instructions provided. Failure to do so may result in your Common Shares not being eligible to be voted at the Meeting.

The form of proxy confers discretionary authority with respect to: (i) amendments or variations to the matters of business to be considered at the Meeting; and (ii) other matters that may properly come before the Meeting. As of the date hereof, management of the Corporation knows of no amendments, variations or other matters to come before the Meeting other than the matters set forth in this “Notice of Meeting”.

**All Shareholders should access and review all information contained in the Information Circular before voting.**

**DATED** this 6<sup>th</sup> day of June, 2022.

**BY ORDER OF THE BOARD OF DIRECTORS OF  
ARROW EXPLORATION CORP.**

*“Gage Jull”* \_\_\_\_\_

Gage Jull  
Chairman of the Board  
Arrow Exploration Corp.

## MANAGEMENT INFORMATION CIRCULAR AND PROXY STATEMENT

### GENERAL INFORMATION

#### Introduction

Shareholders should not construe the contents of this Information Circular as legal, tax or financial advice and should consult with their own professional advisors in considering the relevant legal, tax, financial or other matters contained in this Information Circular.

All capitalized terms used in this Information Circular and not otherwise defined have the meanings set forth under “*Glossary*”.

Unless otherwise specified, all references to “dollars” or “\$” shall mean Canadian dollars.

#### GLOSSARY

The following is a glossary of certain general terms used in this Information Circular, including the summary hereof. Terms and abbreviations used in the financial statements included in, or appended to, this Information Circular are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders.

“**ABCA**” means the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9, as amended, including the regulations promulgated thereunder.

“**Affiliate**” means a Company that is affiliated with another Company as described below:

a Company is an “Affiliate” of another Company if: (a) one of them is the subsidiary of the other; or (b) each of them is controlled by the same Person.

a Company is “controlled” by a Person if: (a) voting securities of the Company are held, other than by way of security only, by or for the benefit of that Person; and (b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the Company.

a Person beneficially owns securities that are beneficially owned by: (a) a Company controlled by that Person; or (b) an Affiliate of that Person or an Affiliate of any Company controlled by that Person.

“**AIM**” means the AIM Market of the London Stock Exchange plc.

“**AIM Rules**” means the AIM Rules for Companies.

“**Associate**” when used to indicate a relationship with a Person, means: (a) an issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer; (b) any partner of the Person; (c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which a Person serves as trustee or in a similar capacity; (d) in the case of a Person who is an individual: (i) that Person’s spouse or child; or (ii) any relative of the Person or of his spouse who has the same residence as that Person; but (e) where the TSXV determines that two (2) Persons shall, or shall not, be deemed to be Associates with respect to a Member firm, Member corporation or holding company of a Member corporation (as defined in TSXV Policy 1.1 - *Interpretation*), then such determination shall be determinative of their relationships in the application of Rule D.1.00 in the TSXV Rule Book and Policies with respect to that Member firm, Member corporation or holding company.

“**Audit Committee**” means the committee formed to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation.

“**Beneficial Shareholder**” means a Shareholder who does not hold their Common Shares in their own name.

“**Board of Directors**” means the board of directors of the Corporation.

“**Broadridge**” means Broadridge Financial Solutions Inc.

“**Business Day**” means a day other than a Saturday, Sunday or a civic or statutory holiday in the City of Calgary, Alberta.

“**Canacol**” means Canacol Energy Ltd., a corporation incorporated pursuant to the laws of the Province of Alberta.

“**Chief Executive Officer**” or “**CEO**” of the Corporation means each individual who acted as chief executive officer of the Corporation or acted in a similar capacity for any part of the most recently completed financial year;

“**Chief Financial Officer**” or “**CFO**” of the Corporation means each individual who acted as chief financial officer of the Corporation or acted in a similar capacity for any part of the most recently completed financial year;

“**Common Shares**” or “**Shares**” means the common shares in the capital of the Corporation.

“**Company**” unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

“**Compensation Committee**” means the committee formed to assist the Board of Directors in discharging its duties relating to compensation of the executive officers of the Corporation.

“**Corporation**” means Arrow Exploration Corp., a corporation existing under the laws of the Province of Alberta, with its head office located in Calgary, Alberta.

“**ESG Committee**” means Environmental, Social and Governance Committee formed to assist the Board in fulfilling its oversight responsibilities with respect to the Corporation’s social responsibility and sustainability management.

“**Fundraising**” means the issue and sale by the Corporation, on October 25, 2021, of 140,949,545 units, with each such unit consisting of one (1) Common Share and one-half (0.5) Warrant at a price of 6.25p (C\$0.106125) per unit.

“**Governance and Nominating Committee**” means the committee formed to (1) oversee all aspects of the Corporation’s corporate governance functions on behalf of the Board of Directors; (2) advise and make recommendations to the Board of Directors regarding corporate governance issues; (3) identify, review and evaluate candidates to serve as directors of the Corporation; (4) review and evaluate incumbent directors to continue serving as directors of the Corporation; (5) serve as a focal point for communication among board candidates, non-committee directors and the Corporation’s management; (6) recommend to the Board of Directors candidates for election by the Board of Directors or as nominees for election by the shareholders of the Corporation; (7) recommend to the Board of Directors the appropriate insurance coverage for the Corporation’s directors and executive officers; and (8) make other recommendations to the Board of Directors regarding affairs relating to the directors of the Corporation.

“**Information Circular**” means this management information circular and proxy statement of the Corporation including the Notice of Meeting and all Appendices hereto.

“**Insider**” if used in relation to an Issuer (as defined in TSXV Policy 1.1 - *Interpretation*), means: (a) a director or senior officer of the Issuer; (b) a director or senior officer of a Company that is an Insider or subsidiary of the Issuer; (c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the Issuer; or (d) the Issuer itself if it holds any of its own securities.

“**Meeting**” means the annual general and special meeting of Shareholders to be held on July 19, 2022.

“**Nomad**” means the nominated advisor of the Corporation.

“**NI 54-101**” means National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*.

“**NI 58-101F2**” means National Instrument 58-102F2 – *Corporate Governance Disclosure (Venture Issuers)*.

“**Notice of Meeting**” means the notice of the Meeting which forms a part of this Information Circular.

“**Options**” means options to purchase Common Shares granted under the Option Plan.

“**Option Plan**” has the meaning ascribed thereto under the heading “*Annual and Special Meeting Business – Item 5-Approval of the Option Plan*” in this Circular.

“**Person**” means a Company or individual.

“**Record Date**” means June 9, 2022, being the record date for the Meeting.

“**Reserves Committee**” means the committee formed to act on behalf of the Board of Directors in fulfilling the Board of Directors’ oversight responsibilities with respect to evaluating and reporting on the Company’s oil and gas reserves.

“**SEDAR**” means System for Electronic Document Analysis and Retrieval being the official website that provides access to most public securities documents and information filed by issuers and investment funds with the Canadian Securities Administrators in the SEDAR filing system at the website address of [www.sedar.com](http://www.sedar.com).

“**Shareholder**” means a holder of outstanding Common Shares.

“**Transfer Agent**” means Computershare Trust Company of Canada.

“**TSXV**” means the TSX Venture Exchange Inc.

“**Warrant**” means a common share purchase warrant issued pursuant to the Fundraising, with each whole warrant entitling the holder thereof to acquire one Common Share at a price of 9p (C\$0.15282) per share.



## PART I – GENERAL PROXY-RELATED INFORMATION

While the Meeting location will be Calgary, Alberta, this Meeting shall be held via teleconference and shall only be accessible through the following telephone numbers:

- Local – Toronto (+1) 416 764 8658;
- Toll Free - North America: (+1) 888 886 7786;
- Colombia: 018005184036; or
- UK: 08006522435

This format will help mitigate health and safety risks to the community, shareholders, employees and other stakeholders.

**ALL SHAREHOLDERS ARE STRONGLY ENCOURAGED TO VOTE PRIOR TO THE MEETING BY ANY OF THE MEANS DESCRIBED IN THE CIRCULAR, AS IN-PERSON VOTING AT THE TIME OF THE MEETING WILL NOT BE POSSIBLE.**

### Solicitation of Proxies

This Information Circular is furnished in connection with the solicitation of proxies by or on behalf of the management of the Corporation for use at the Meeting. The Meeting will be held via teleconference on July 19, 2022 at 10:00 a.m. (Calgary time) for the purposes set forth in the Notice of Meeting. It is expected that such solicitation will be primarily by mail but may also be made by telephone or other electronic means of communication or in person by the directors and officers of the Corporation. The cost of such solicitation will be borne by the Corporation. The information contained in this Information Circular is given as of June 6, 2022, except where otherwise indicated.

### Appointment of Proxy

The individuals named in the accompanying form of proxy are directors and/or officers of the Corporation. A Shareholder wishing to appoint some other person or company (who need not be a Shareholder) to represent the Shareholder at the meeting has the right to do so, either by inserting such person's name in the blank space provided in the form of proxy or by completing another form of proxy and, in either case, delivering the completed proxy to the Transfer Agent, at the place and within the time specified below. Such a Shareholder should notify the nominee of the appointment, obtain the nominee's consent to act as proxy and instruct the nominee on how the Shareholder's shares are to be voted. In any case, the form of proxy should be dated and executed by the Shareholder or the Shareholder's attorney authorized in writing, or if the Shareholder is a corporation, under its corporate seal, or by an officer or attorney thereof duly authorized.

Those Shareholders who wish to be represented at the Meeting by proxy must complete and deliver a proper form of proxy to the Corporation's Transfer Agent, Computershare Trust Company of Canada, 8<sup>th</sup> Floor, 100 University Ave, Toronto, ON M5J 2Y1 or complete the form of proxy online at [www.investorvote.com](http://www.investorvote.com). In order to be valid, proxies must be received by the Transfer Agent not later than 10 a.m. (Calgary time) on July 15, 2022 or not later than 48 hours (excluding Saturdays, Sundays and holidays) prior to any adjournment(s) of the Meeting.

Notice and access is being used to deliver this Circular and other meeting-related materials, including the Corporation's audited consolidated financial statements for the fiscal year ended December 31, 2021, together with the auditor's report therein and related management's discussion and analysis (collectively, the "Materials"), to both registered Shareholders and Beneficial Shareholders. This means that the Materials will be posted online for shareholders to access electronically. You will receive a package in the mail with a notice outlining the matters to be addressed at the Meeting, explaining how to access and review the Materials electronically, and how to request a paper copy at no charge. You will also receive a form of proxy or a voting instruction form in the mail, so you can vote your Common Shares. Such notice and a voting information form will be indirectly forwarded to non-objecting beneficial owners at the Corporation's expense.

Management of the Corporation does not intend to pay for intermediaries to forward to objecting Beneficial Shareholders under NI 54-101 the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*, and, in the case of an objecting Beneficial Shareholder, the objecting Beneficial Shareholder will not receive the materials unless the objecting Beneficial Shareholder’s intermediary assumes the cost of delivery.

If you have any questions about our use of notice and access, please contact Computershare Investor Services Inc., toll-free in North America at 1-800-564-6253 or by email at [service@computershare.com](mailto:service@computershare.com).

### **Revocability of Proxy**

A Shareholder who has given a proxy has the power to revoke it. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing signed by the Shareholder or by his or her attorney authorized in writing and either delivered to the Transfer Agent at the place specified above at any time up to and including the last Business Day preceding the day of the Meeting or any adjournment(s) thereof or deposited with the chairman of the Meeting on the day of the Meeting prior to the commencement of the Meeting.

### **Advice to Beneficial Holders of Common Shares**

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold shares in their own name. Beneficial Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder’s name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). In the United States of America, the majority of such shares are registered in the name of CEDE & Co., which company acts as a nominee for many brokerage firms.

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the form of proxy provided directly to registered Shareholders by the Corporation. However, its purpose is limited to instructing the registered Shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

Although a Beneficial Shareholder may not be recognized directly for the purposes of voting Common Shares registered in the name of his broker, a Beneficial Shareholder may be appointed as proxyholder for the registered shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to indirectly vote their Common Shares as proxyholder for the registered shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker.**

## **Exercise of Discretion with Respect to Proxies**

**The Common Shares represented by proxy will be voted or withheld from voting on any motion, by ballot or otherwise, in accordance with any indicated instructions. In the absence of such direction, and you do not appoint a person other than management as your proxyholder, such shares will be voted FOR the resolutions referred to in items 2 through 6 of the Notice of Meeting.**

If any amendment or variation to matters identified in the Notice of Meeting is proposed at the Meeting or any adjournment(s) or postponement thereof, or if any other matters properly come before the Meeting or any adjournment(s) or postponement thereof, the proxy form confers discretionary authority to vote on such amendments or variations or such other matters according to the best judgment of the appointed proxyholder. Unless otherwise stated, the Common Shares represented by the proxy will be voted in favour of the election of nominees set forth in this Information Circular except where a vacancy among such nominees occurs prior to the Meeting, in which case, such Common Shares may be voted in favour of another nominee in the proxyholder's discretion. As at the date of this Information Circular, the management of the Corporation is not aware of any amendments or variations or other matters to come before the Meeting.

## **Signature on Proxies**

The form of proxy must be executed by the Shareholder or his or her duly appointed attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer whose title must be indicated. A form of proxy signed by a person acting as attorney or in some other representative capacity should indicate that person's capacity (following that person's signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has been previously filed with the Corporation).

## **Interest of Certain Persons in Matters to be Acted Upon**

No director or officer of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any Associate or Affiliate of any one of them, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting except as described in this Information Circular under "*Part II – Annual Meeting Business – Election of Directors*".

## **Voting Securities and Principal Holders of Voting Securities**

As at the date of this Information Circular, there are 214,567,143 Common Shares currently issued and outstanding. Shareholders as of the Record Date are entitled to receive notice of and attend and vote at the Meeting.

On a show of hands, every Shareholder represented by proxy (and entitled to vote) has one vote for each Common Share held. On a poll or ballot, every Shareholder present by proxy has one vote for each Common Share held. All votes on matters described under the heading "Annual and Special Meeting Business" below will be conducted by a poll and a demand for a poll will not be required.

Only Shareholders whose names have been entered in the register of Shareholders at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting. **To the extent a Shareholder transfers the ownership of any of its Common Shares after the Record Date and the transferee of those Common Shares establishes that it owns such Common Shares and requests, at least ten (10) days before the Meeting, that the transferee's name be included in the list of Shareholders entitled to vote at the Meeting, such transferee shall be entitled to vote such Common Shares at the Meeting.**

To the best of the knowledge of the directors and officers of the Corporation, no person other than Canacol beneficially owns, directly or indirectly, or exercises control or direction over 10% or more of the voting rights attached to all of the issued and outstanding Common Shares as at the date of this Information Circular. As of the date hereof, Canacol is the registered holder of 41,715,205 Common Shares (representing approximately 19.4% of the issued and outstanding Common Shares) and 18,357,602 Warrants.

## PART II – ANNUAL AND SPECIAL MEETING BUSINESS

The following are the matters to be acted upon at the Meeting:

### **Item 1 — Receipt of the Financial Statements and Auditors' Report**

At the Meeting, Shareholders will receive and consider the consolidated financial statements of the Corporation as at and for the year ended December 31, 2021 and the independent auditors' report thereon, but no vote by the Shareholders with respect thereto is required or proposed to be taken.

### **Item 2 — Fixing Number of Directors**

The Board of Directors presently consists of six (6) directors, each of whose term expires at the Meeting. At the Meeting, Shareholders will be asked to fix the number of directors to be elected at the Meeting at six (6).

**Unless otherwise directed, it is the intention of the persons designated in the accompanying form of proxy to vote in favour of the ordinary resolution fixing the number of directors to be elected at the Meeting at six (6).** In order to be effective, the ordinary resolution in respect of fixing the number of directors to be elected at the Meeting at six (6) must be passed by not less than a majority of the votes cast by Shareholders who vote in respect of this ordinary resolution.

### **Item 3 — Election of Directors**

The persons named in the form of proxy intend to nominate and vote for the election of, as a director, each of the persons whose names are set forth below. Each director elected will hold office until the next annual meeting of the Corporation or until his successor is duly elected, unless his office is earlier vacated in accordance with the by-laws of the Corporation.

The following table sets forth the name and city, province/state and country of residence of each of the persons to be nominated for election as directors, the number of voting securities of the Corporation beneficially owned, directly or indirectly, or over which each nominee exercises control or direction, the period served as director and the principal occupation of each nominee during the last five (5) years. The information contained herein is based upon information furnished by the respective nominees.

<b>Name, Province or State and Country of Residence and Position Held</b>	<b>Number of Securities Beneficially Owned, Controlled or Directed<sup>(1)</sup></b>	<b>Offices Held and Time as Director or Officer</b>	<b>Principal Occupation During the Last Five Years</b>
<b>G. Marshall Abbott<sup>(2)(3)</sup></b> Calgary, Alberta, Canada CEO and Director	3,250,000 Stock Options 3,579,802 Common Shares 1,789,900 Warrants	CEO and Director since April 14, 2020	From April 2020 to present, Director and CEO of Arrow Exploration. From May 2012 – March 2020 Founder, CEO and Executive Chairman of Rampart Oil Inc. a private junior oil company operating in southern Alberta. From June 2010 – February 2020 Founder, CEO and Executive Chairman of Bernum Petroleum Ltd. a private junior oil and gas company with production in Alberta. Director for the Ann and Sandy Cross Conservation Area from 2003 to present. Director Iron Bridges Resources in 2018. Director for Calgary Public Library January 2016 - Present.
<b>Grant M. Carnie<sup>(2)(3)</sup></b> Denver, Colorado, USA Director	Nil	Director since June 3, 2021	From January 2008 to June 2020 Director of SFC Energy Partners, a private equity partnership focused on oil and gas opportunities operating onshore North America. Included in his role at SFC, Mr. Carnie was on the Board of six private portfolio companies.
<b>Gage Jull<sup>(1)(4)(5)</sup></b> Toronto, Ontario, Canada, Executive Chairman and Director	3,450,000 Stock Options 3,995,672 Common Shares 1,997,835 Warrants	Director since March 19, 2020.	Co-founder and Chairman of Bordeaux Capital Corp., a Toronto based project financing, mergers & acquisitions advisory firm from November 2015 to December 2021. Chairman of TRYP Therapeutics, Inc September 2020 to present. Director of GeneTether Therapeutics, Inc. October 2021 to present. Managing Director, Corporate Finance of Mackie Research Capital, an investment banking and securities brokerage services company, from August 2004 to November 2015.
<b>Maria Charash Koundina<sup>(1)(4)(5)</sup></b> London, United Kingdom Director	Nil	Director since June 3, 2021	From February 2022 to present, Interim CFO of Recircle, rubber recycling company. From 2021 to February 2022, Financing Advisor to Viridor, KKR-backed energy from waste producer. From 2019 to 2020, Deputy CFO of Petredec Pte Ltd., a company engaged in LPG trading and shipping. From 2016 to 2019, VP M&A and Corporate Development, EMEA for World Fuel Services Corporation, an NYSE-listed company providing energy, logistics and technology solutions. From 2015 to 2016, Head of Project Management Office, Shell – BG Treasury Merger Integration.
<b>Ravi Sharma<sup>(2)(3)</sup></b> Bogotá, Cundinamarca, Colombia Director	1,315,000 Stock Options 13,370 Common Shares	Director since September 28, 2018	From October 2015 to present, Chief Operating Officer of Canacol Energy Ltd., an oil and gas exploration and production company. Previously Head of Production and Development - Afren Energy, a hydrocarbons exploration and production company, from September 2010 to April 2015.
<b>Anthony Zaidi<sup>(1)(4)(4)</sup></b> Bogota, Cundinamarca, Colombia Director	1,000,000 Stock Options	Director since December 31, 2019	General Counsel and Vice President Business Development Canacol Energy Ltd., an oil and gas exploration and production company, from November 2011 to present.

**Notes:**

- (1) Member of the Audit Committee.
- (2) Member of the Compensation Committee.
- (3) Member of the Reserves Committee.
- (4) Member of the Governance and Nominating Committee.
- (5) Member of the ESG Committee.

### ***Cease Trade Orders, Bankruptcies, Penalties or Sanctions of Proposed Directors***

To the knowledge of management of the Corporation, none of those persons who are proposed directors of the Corporation are, or have been within the past ten (10) years, a director, chief executive officer or chief financial officer of any company, including the Corporation, that while such person was acting in that capacity, was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than thirty (30) consecutive days, or after such persons ceased to be a director, chief executive officer or chief financial officer of the company, was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than thirty (30) consecutive days, which resulted from an event that occurred while acting in such capacity.

To the knowledge of management of the Corporation, none of those persons who are proposed directors of the Corporation is, or has been within the past ten (10) years, a director or executive officer of any company, including the Corporation, that, while such person was acting in that capacity, or within one (1) year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets. None of the persons who are proposed directors of the Corporation have, within the past ten (10) years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets.

To the knowledge of management of the Corporation, none of those persons who are proposed directors of the Corporation have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for a proposed director.

**Unless otherwise directed, it is the intention of the persons designated in the accompanying form of proxy to vote in favour of the ordinary resolution respecting the election as directors of the six (6) nominees set forth above.** In order to be effective, the ordinary resolution in respect of the election of each nominee director must be passed by not less than a majority of the votes cast by Shareholders who vote in respect of this ordinary resolution.

#### **Item 4 — Appointment of Auditors**

At the Meeting, Shareholders will be asked to approve an ordinary resolution to approve the appointment of Deloitte LLP, Chartered Professional Accountants (“**Deloitte LLP**”), of Calgary, Alberta as independent auditors of the Corporation at a remuneration to be fixed by the Board of Directors and to hold such office until the next annual meeting of Shareholders. Deloitte LLP has served as the Corporation’s auditors since September 28, 2018.

**Unless otherwise directed, it is the intention of the persons designated in the accompanying form of proxy to vote in favour of the ordinary resolution to approve Deloitte LLP as independent auditors of the Corporation and to authorize the Board of Directors to fix the remuneration paid to the auditors.** In order to be effective, the ordinary resolution in respect of the appointment of the auditors of the Corporation and to fix their remuneration must be passed by not less than a majority of the votes cast by Shareholders who vote in respect of this ordinary resolution.

#### **Item 5 — Approval of the Option Plan**

On June 6, 2022 the Board updated the Corporation’s stock option plan (the “**Option Plan**”) to make certain administrative changes as a result of updates to the TSXV policies regarding security based compensation. The Option Plan remains a 10% rolling stock option plan. A copy of the amended and restated plan is attached hereto as Appendix “F”.

The purpose of the Option Plan is to provide directors, officers, employees and consultants of the Corporation or its subsidiaries, or any other individual or body corporate who may be granted an Option (as defined below) pursuant to

the requirements of the TSXV (the "Participants") with a Share related mechanism to attract, retain and motivate Eligible Participants, to reward such of those persons by the grant of options under the Option Plan by the Board from time to time for their contributions toward the long term goals of the Company and to enable and encourage such persons to acquire Shares as long term investments. The material terms of the Option Plan are described below. The Option Plan is currently the Corporation's only securities-based compensation arrangement pursuant to which securities may be issued from treasury of the Corporation.

The maximum number of Shares issuable under the Option Plan at any time plus the number of Shares reserved for issue under all other security based compensation plans, shall not exceed 10% of the number of Shares issued and outstanding as of each date Options are awarded, inclusive of all Shares presently reserved for issuance pursuant to previously granted stock options. Options that have been cancelled or that have expired without being exercised in full shall continue to be issuable under the Option Plan.

Under the Option Plan, unless requisite disinterested Shareholder approval is obtained, the number of Shares that may be reserved for issue to any one person under Options or other security based compensation arrangements granted in any 12-month period shall not exceed 5% of the outstanding Shares calculated as at the date of grant. The total number of Shares issuable pursuant to Options to any one Consultant shall not exceed 2% of the issued and outstanding Shares of the Company as at the date of grant. The maximum aggregate number of Shares issuable pursuant to all Options granted in any 12 month period to all Investor Relations Service Providers must not exceed 2% of the Issued Shares of the Issuer, calculated as at the date of grant. The Board is authorized to determine the price per Share and the number of Shares that may be allotted to Participant and all other terms and conditions of the Options, subject to the terms of the Option Plan and the rules of the TSXV. Notwithstanding the foregoing, the exercise price per Share shall not be shall not be less than the closing price of the Shares on the day preceding the date of grant, less any discount permitted by the TSXV, or such other price as may be required or permitted by the TSXV.

The maximum aggregate number of Shares issuable pursuant to Options granted (or any other security based compensation granted or issued) to insiders of the Corporation (as a group) must not exceed 10% of the issued and outstanding Shares at any point in time, unless requisite disinterested shareholder approval is obtained. Furthermore, the maximum aggregate number of Shares issuable pursuant to Options granted (or any other security based compensation granted or issued) in any 12-month period to insiders of the Corporation (as a group) must not exceed 10% of the issued and outstanding Shares, calculated as at the date the Option is granted to any insider, unless requisite disinterested shareholder approval is obtained.

Options granted under the Option Plan may be exercisable for a period of up to 10 years and may vest at such times as determined by the Board at the time of grant, subject to acceleration in accordance with the terms of the Plan. Notwithstanding the foregoing, in the event the expiration date for an Option occurs during a Blackout Period (as defined in the Plan), the expiration date for such Option shall be the date that is the tenth business day after the expiry date of the Blackout Period. The exercise price must be paid in full on any exercise of Options.

Further, if an Option holder ceases to hold their position with the Corporation for any reason other than death, their Options may be exercised within the earlier of the expiry date and a period of up to 90 days following the date the Option holder ceases to be in that role, but only to the extent the Optionee was entitled to exercise the Option at the date of such cessation. In the event of death of an Optionee, their Options may be exercised within the earlier of the expiry date and a period of time not exceeding 12 months, and only to the extent the Optionee was entitled to exercise the Options at the date of death. Options granted pursuant to the Option Plan may not be transferred or assigned.

The Option Plan provides that in the event of a change of control the Board of Directors may determine the manner in which all unexercised Options granted under the Option Plan will be treated, including requiring the acceleration (conditionally or otherwise) of the time for the exercise of such stock options by the holder thereof and of the time for the fulfillment of any conditions or restrictions on such exercise, subject to the certain rights provided to holders set forth in the Option Plan. If the Board of Directors elects to accelerate (conditionally or otherwise) the vesting of any or all outstanding stock options immediately prior to the completion of a change of control transaction, it may also determine that all such outstanding stock options will be purchased by the Corporation or a related entity for an amount per option equal to the transaction price, less the applicable exercise price (except that where the exercise price exceeds the transaction price, the amount per stock option for such stock options will be \$0.01), as of the date such transaction

is determined to have occurred or as of such other date prior to the transaction closing date as the Board of Directors may determine. For the purposes of the Option Plan, “transaction price” means the fair market value of a share based on the consideration payable in the applicable transaction as determined by the Board of Directors.

A “change of control” is defined in the Option Plan to include: (i) the acquisition by any persons acting jointly or in concert (as determined by the *Securities Act* (Alberta) (the “**Securities Act**”)), whether directly or indirectly, of Common Shares that, together with all other Common Shares held by such persons, constitute in the aggregate more than 50% of all outstanding voting securities of the Corporation; (ii) an amalgamation, arrangement or other form of business combination of the Corporation with another corporation that results in the holders of voting securities of that other corporation holding, in the aggregate, more than 50% of all outstanding voting securities of the corporation resulting from the business combination; (iii) the sale, lease or exchange of all or substantially all of the property of the Corporation to another person, other than in the ordinary course of business of the Corporation or to a related entity; or (iv) any other transaction that is deemed to be a “change of control” for the purposes of the Option Plan by the Board of Directors in its sole discretion.

Under the Option Plan, if an “Offer” (as defined below) is made which, if successful, would result in a change of control, then all unexercised and unvested outstanding Options shall immediately vest and become exercisable by the stock option holders, notwithstanding any other vesting provisions in the Option Plan or in an option agreement, as to all or any of the Common Shares in respect of which such options have not previously been exercised, but such Common Shares may only be purchased for tender pursuant to such Offer. If for any reason such Common Shares are not taken up and paid for by the offeror pursuant to the Offer, any such Common Shares so purchased by a stock option holder shall be deemed to be cancelled and returned to the treasury of the Corporation, shall be added back to the number of Common Shares remaining available under the Option Plan and, upon presentation to the Corporation of share certificates representing such shares properly endorsed for transfer back to the Corporation, the Corporation shall refund to the stock option holder all consideration paid for such shares and, in such event, the stock option holder shall thereafter continue to hold the same number of unexercised and unvested outstanding stock options on the same terms and conditions, including the exercise price thereof, as were applicable thereto immediately prior to the time the subject Offer was made. For the purposes of the Option Plan, “offer” means an offer made generally to the holders of Common Shares in one or more jurisdictions to acquire, directly or indirectly, Common Shares and which is in the nature of a “takeover bid” as defined in the Securities Act and where the Common Shares are listed and posted for trading on a stock exchange and are not exempt from the formal bid requirements of the Securities Act.

The Shareholders of the Corporation will be asked to consider and if thought fit, approve an ordinary resolution authorizing the amendment and restatement of the Plan. The text of the ordinary resolution which management intends to place before the Meeting for approval, confirmation and adoption, with or without modification, is as follows:

**“BE IT RESOLVED** as an ordinary resolution of the Corporation that:

1. The stock option plan (the "**Plan**") of Arrow Energy Corp. (the "**Corporation**"), substantially in the form attached as Appendix "F" to the management information circular of the Corporation dated June 6, 2022 be and is hereby approved, ratified and confirmed.
2. The form of the Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities, including the TSX Venture Exchange or at the discretion of the board of directors of the Corporation (the "**Board**") acting in the best interests of the Corporation without requiring further approval of the shareholders of the Corporation.
3. All issued and outstanding stock options previously granted, including stock options previously granted pursuant to previous stock option plans, be and are continued and are hereby ratified, confirmed and approved.
4. The shareholders of the Corporation hereby expressly authorize the Board to revoke this resolution before it is acted upon without requiring further approval of the Shareholders in that regard.



5. Any one (or more) director(s) or officer(s) of the Corporation be and is hereby authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all documents (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this resolution."

#### *Recommendation of the Board of Directors*

The Board of Directors has unanimously determined that approval of the foregoing resolution is in the best interests of the Corporation and unanimously recommends that Shareholders vote in favour of the foregoing resolution at the Meeting. **Unless otherwise directed, it is the intention of the persons designated in the accompanying form of proxy to vote in favour of the foregoing resolution.** In order to be effective, the foregoing resolution must be passed by not less than a majority of the votes cast by Shareholders who vote in respect of this ordinary resolution.

The proposed changes to the Option Plan are subject to TSXV acceptance. If the TSXV finds the disclosure to Shareholders to be inadequate, Shareholder approval as contemplated herein may not be accepted by the TSXV.

#### **Item 6 – Approval of Option Grants to Independent Directors**

The Corporation seeks shareholder approval in order to grant 1,000,000 Options to each of Grant M. Carnie and Maria Charash Koundina in their capacity as independent directors.

Following the admission to listing of the Common Shares on AIM, the Compensation Committee reviewed the compensation provided to its non-executive directors as compared to the non-executive directors of comparable listed companies. At the conclusion of its review the Compensation Committee determined that it would be appropriate to grant 1,000,000 Options to each non-executive director and made a recommendation to the Board to that effect.

The Board, after considering the recommendation of the Compensation Committee, took advice on the matter from its Nomad at that time (being Arden Partners) and other advisors. The Nomad at that time informed advised the Board during those discussions that each of Mr. Grant M. Carnie and Ms. Maria Charash Koundina would be in order for them to be considered an “independent director” for the purposes of AIM Rules and that, under AIM Rules, it would be necessary advisable to obtain shareholder approval prior to granting options to them.

After considering the advice provided by the Nomad at that time and other advisors, and other relevant matters, including the Board’s desire to treat the non-executive directors equitably in the circumstances, the Board resolved to: (i) immediately issue 1,000,000 Options to each of Mr. Anthony Zaidi and Mr. Ravi Sharma; and (ii) issue 1,000,000 Options to each of Mr. Grant M. Carnie and Ms. Maria Charash Koundina as soon as possible after obtaining the shareholder approval. The Board also determined to pursue shareholder approval of the option grant to Messrs. Carnie and Charash Koundina at the next meeting of the shareholders of the Corporation.

Accordingly, at the Meeting, Shareholders will be asked to approve the grant of 1,000,000 Options to each of Mr. Grant M. Carnie and Ms. Maria Charash Koundina (the “Option Grant Resolution”). The Option Grant Resolution must be passed by a majority of the vote cast by Shareholders who vote in respect of the Option Grant Resolution.

The full text of the Option Grant Resolution is as follows:

“RESOLVED THAT:

1. The grant by the Corporation of 1,000,000 options to each of Mr. Grant M. Carnie and Ms. Maria Charash Koundina in accordance with the stock option plan of the Corporation and on such terms as the Board of Directors of the Corporation may determine is hereby authorized and approved.
2. Any one Director or Officer of the Corporation is hereby authorized and directed to do all acts and things, to execute and deliver all agreements, documents and instruments, to give all notices and to deliver, file and distribute all documents and information which such person determines to be necessary or desirable to give effect to the intent of these resolutions.”

*Recommendation of the Board of Directors*

The Board of Directors has unanimously determined that approval of the foregoing resolution is in the best interests of the Corporation and unanimously recommends that Shareholders vote in favour of the foregoing resolution at the Meeting. **Unless otherwise directed, it is the intention of the persons designated in the accompanying form of proxy to vote in favour of the foregoing resolution.** In order to be effective, the foregoing resolution must be passed by not less than a majority of the votes cast by Shareholders who vote in respect of this ordinary resolution.

**Item 7 — Approval of Canacol Resolution**

On October 25, 2021, Canacol acquired 36,715,205 Common Shares and 18,357,602 Warrants pursuant to the Fundraising. Combined with the 5,000,000 Common Shares Canacol held prior to the Fundraising, Canacol is the registered holder of 41,715,205 Common Shares (representing approximately 19.4% of the issued and outstanding Common Shares) and 18,357,602 Warrants. Canacol would hold approximately 23.7% of the issued and outstanding Common Shares assuming the exercise of all the Warrants held by it and would be considered a “Control Person” for the purposes of applicable TSXV rules and policies, absent any restriction on the exercise of its Warrants.

To ensure that Canacol would not be considered a “Control Person” for the purposes of the TSXV Rules and to permit the Fundraising and admission to listing of the Common Shares on AIM to occur on a timely basis, Canacol agreed that its Warrants may not be exercised until the TSXV has first accepted any exercise which would result in Canacol holding more than 9.9% of the issued and outstanding Common Shares. In exchange, the Corporation agreed to seek Shareholder approval of an ordinary resolution (the “**Canacol Resolution**”) at its 2022 annual general meeting to permit Canacol to become a ‘control person’ under Canadian securities law and to hold over 20% of the Corporation’s issued and outstanding Common Shares in the event Canacol exercises its warrants. The Chairman, CEO, CFO and certain other members of senior management of the Corporation, holding in aggregate 13,405,605 Common Shares, have entered into voting support agreements pursuant to which they have agreed to vote all their Common Shares in favour of the Canacol Resolution.

Accordingly, at the Meeting, Shareholders will be asked to approve the Canacol Resolution. The Canacol Resolution must be passed by a majority of the vote cast by Shareholders who vote in respect of the Canacol Resolution, excluding Canacol and its affiliates and associates.

The full text of the Canacol Warrants Resolution is as follows:

“RESOLVED THAT:

1. The issuance by the Corporation to Canacol Energy Ltd. on October 25, 2021, of 36,715,205 common shares (“**Common Shares**”) in the capital of the Corporation and 18,357,602 warrants (the “**Canacol Warrants**”) on the terms more specifically set out in the management information circular and proxy statement of the Company dated June 6, 2022, is hereby ratified, confirmed and approved.
2. The issuance by the Corporation of Common Shares in connection with the exercise by Canacol from time-to-time of the Canacol Warrants is hereby authorized and approved.
3. The acquisition by Canacol of more than 20% of the voting rights attached to all issued and outstanding Common Shares and Canacol becoming a “control person” of the Corporation, for the purpose of applicable rules of the TSX Venture Exchange, is hereby ratified, confirmed and approved.
4. Any one Director or Officer of the Corporation is hereby authorized and directed to do all acts and things, to execute and deliver all agreements, documents and instruments, to give all notices and to deliver, file and distribute all documents and information which such person determines to be necessary or desirable to give effect to the intent of these resolutions, including, without limitation, to obtain acceptance of the TSX Venture Exchange of the foregoing.

*Recommendation of the Board of Directors*

The Board of Directors has unanimously determined that approval of the foregoing resolution is in the best interests of the Corporation and unanimously recommends that Shareholders vote in favour of the foregoing resolution at the Meeting. **Unless otherwise directed, it is the intention of the persons designated in the accompanying form of proxy to vote in favour of the foregoing resolution.**

**Item 8 — Other Business**

The directors and officers of the Corporation are not aware of any matters, other than those indicated above, which may be submitted to the Meeting for action. However, if any other matters should properly be brought before the Meeting, the form of proxy confers discretionary authority to vote on such other matters according to the best judgment of the person holding the proxy at the Meeting.

## PART III – STATEMENT OF EXECUTIVE COMPENSATION

### General

The “**Named Executive Officers**” of the Corporation are defined by securities legislation to mean the following individuals: (i) any individual who served as Chief Executive Officer of the Corporation during the most recently completed financial year; (ii) any individual who served as Chief Financial Officer of the Corporation during the most recently completed financial year; (iii) the Corporation’s three most highly compensated executive officers, other than the Chief Executive Officer or the Chief Financial Officer, at the end of the most recently completed financial year whose compensation was more than \$150,000 for that financial year; and (iv) each individual who would be a “Named Executive Officer” under (iii) above but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of the most recently completed financial year-end.

With respect to the financial year ended December 31, 2021, the Named Executive Officers of the Corporation were: Mr. Gage Jull, Mr. G. Marshall Abbott, Mr. Joe McFarlane and Mr. Max Satel.

**All dollar amounts reported in this Part III are in Canadian dollars unless otherwise indicated.**

*Director and Named Executive Officer Compensation for the Financial Years Ended December 31, 2021 and 2020*

Table of Compensation Excluding Compensation Securities							
Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
<b>Gage Jull<sup>(1)</sup></b> Director and Chairman of the Board	2021	236,093	241,667	nil	N/A	303,777	781,537
	2020	78,462	nil	nil	nil	120,000	198,462
<b>Marshall Abbott<sup>(2)</sup></b> CEO and Director	2021	235,890	275,000	nil	N/A	313,002	823,893
	2020	72,051	nil	nil	nil	120,000	192,051
<b>Joe McFarlane<sup>(3)</sup></b> CFO	2021	236,093	241,667	nil	N/A	303,777	781,537
	2020	72,051	nil	nil	nil	120,000	192,051
<b>Max Satel<sup>(3)</sup></b> Executive VP Corporate Development and Investor Relations	2021	236,093	241,667	nil	N/A	263,002	740,762
	2020	N/A	N/A	N/A	N/A	N/A	192,051
<b>Anthony Zaidi</b> Director	2021	52,257	nil	nil	nil	129,068	181,325
	2020	20,105	nil	nil	nil	nil	20,105

Table of Compensation Excluding Compensation Securities							
Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
Ravi Sharma Director	2021	52,257	nil	nil	nil	129,068	181,325
	2020	20,105	nil	nil	nil	nil	59,500
Grant M. Carnie <sup>(4)</sup> Director	2021	44,090	nil	nil	nil	nil	44,090
	2020	N/A	N/A	N/A	N/A	N/A	N/A
Maria Charash Koundina <sup>(4)</sup> Director	2021	44,090	nil	nil	nil	nil	44,090
	2020	N/A	N/A	N/A	N/A	N/A	N/A
Tim De Freitas <sup>(6)</sup> Former Director	2021	7,832	nil	nil	nil	nil	7,832
	2020	20,105	nil	nil	nil	nil	20,105
Gustavo Antonio Dajer Barguil <sup>(6)</sup> Former Director	2021	7,832	nil	nil	nil	nil	7,832
	2020	20,105	nil	nil	nil	nil	20,105
Brian Hearst <sup>(6)</sup> Former Director	2021	7,832	nil	nil	nil	nil	7,832
	2020	20,105	nil	nil	nil	nil	20,105

**Notes:**

- (1) Mr. Gage Jull was appointed Director and Executive Chairman of the Board on April 14, 2020 with an annual salary of \$200,000. In October 2021, Mr. Jull's base salary was changed to USD 270,000 annually. In 2020, Mr. Jull's employment compensation consisted of \$78,462 in cash and 4,000,000 phantom shares having an aggregate fair market value of \$120,000.
- (2) Mr. Marshall Abbott was appointed CEO on April 14, 2020 with an annual salary of \$200,000. In October 2021, Mr. Abbott's base salary was changed to USD 270,000 annually. In 2020, Mr. Abbott's employment compensation consisted of \$72,051 in cash and 4,000,000 phantom shares having an aggregate fair market value of \$120,000.
- (3) Mr. Joseph McFarlane was appointed CFO on April 24, 2020. In October 2021, Mr. McFarlane's base salary was changed to USD 270,000 annually. In 2020, Mr. McFarlane's employment compensation consisted of \$72,051 in cash and 4,000,000 phantom shares having an aggregate fair market value of \$120,000.
- (4) Each Mr. Carnie and Ms. Charash Koundina became directors of the Corporation on June 3, 2021.
- (5) Each of Messrs. De Freitas, Barguil and Hearst ceased to be a director of the Corporation on June 3, 2021.
- (6) Beginning January 1, 2020, Director's fees were set at US\$15,000 per year for all non-executive Directors and on June 1, 2021 they were increased to US\$60,315 per year. All per meeting and chairperson fees were eliminated.
- (7) On December 13, 2021, the Company granted stock options to Mr. Gage Jull (2,250,000 options), Mr. Marshall Abbott (2,450,000 options), Mr. Joe McFarlane (2,250,000), Mr. Max Satel (2,450,000), Mr. Ravi Sharma (1,000,000 options) and Mr. Anthony Zaidi (1,000,000 options), 1/3 of which shall vest over each of the next three years with a strike price of £.07625 per option (C\$0.15282 per Option, based on an exchange rate of \$0.5908:£1.00). For compensation disclosure purposes, these options were valued using the fair market value at the date they were granted using a Black-Scholes valuation model based on the following variables: a) risk-free rate 0.50%; b) Annualized Volatility 159.48%; c) dividend rate 0%; and d) Forfeiture rate 54%.

***Stock Options and Other Compensation Securities Granted or Exercised During the Financial Year Ended December 31, 2021***

Compensation securities were granted to directors or Named Executive Officers of the Corporation during the most recently completed financial year as set forth below.

<b>Compensation Securities</b>							
<b>Name and Position</b>	<b>Type of Compensation Security</b>	<b>Number of Compensation Securities, Number of Underlying Securities, and Percentage of Class<sup>(1)</sup></b>	<b>Date of Issue or Grant</b>	<b>Issue Conversion or Exercise Price (\$)<sup>(6)</sup></b>	<b>Closing Price of Security or Underlying Security on Date of Grant (\$)</b>	<b>Closing Price of Security or Underlying Security at Year End (\$)</b>	<b>Expiry Date</b>
<b>Gage Jull<sup>(2)</sup></b> Director and Chairman of the Board	Stock Option	2,250,000 1.05%	December 13, 2021	GBp 7.625	GBp 7.625	GBp 7.000	June 13, 2023, 2024 and 2025
<b>Marshall Abbott<sup>(2)</sup></b> CEO and Director	Stock Option	2,450,000 1.14%	December 13, 2021	GBp 7.625	GBp 7.625	GBp 7.000	June 13, 2023, 2024 and 2025
<b>Joe McFarlane<sup>(2)</sup></b> CFO	Stock Option	2,250,000 1.05%	December 13, 2021	GBp 7.625	GBp 7.625	GBp 7.000	June 13, 2023, 2024 and 2025
<b>Max Satel</b> Executive VP Corporate Development and Investor Relations	Stock Option	2,450,000 1.14%	December 13, 2021	GBp 7.625	GBp 7.625	GBp 7.000	June 13, 2023, 2024 and 2025
<b>Anthony Zaidi</b> Director	Stock Option	1,000,000 0.47%	December 13, 2021	GBp 7.625	GBp 7.625	GBp 7.000	June 13, 2023, 2024 and 2025
<b>Ravi Sharma</b> Director	Stock Option	1,000,000 0.47%	December 13, 2021	GBp 7.625	GBp 7.625	GBp 7.000	June 13, 2023, 2024 and 2025
<b>Grant M. Carnie<sup>(3)</sup></b> Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Maria Charash Koundina<sup>(3)</sup></b> Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**Notes:**

- (1) Each Option entitles the holder to acquire one Common Share. The formula used for calculating the percentage of the class is as follows:  $\frac{\# \text{ of Common Shares issuable upon exercise of the applicable Options}}{\# \text{ of issued and outstanding Common Shares as of December 31, 2021}} \times 100$
- (2) Messrs. Jull, Abbott and McFarlane do not hold any compensation securities other than the Stock Options and Phantom Stock Options described in the table immediately above and the Phantom Shares described above under the heading “*Director and Named Executive Officer Compensation For the Financial Years Ended December 31, 2021 and 2020*”.
- (3) Each Mr. Carnie and Ms. Charash Koundina became directors of the Corporation on June 3, 2021.
- (4) Each of Messrs. De Freitas, Barguil and Hearst ceased to be a director of the Corporation on June 3, 2021.
- (5) All Options are subject to the terms and conditions of the Option Plan, as further described in *Stock Option Plan and Other Incentive Plans* below. The Options vest in thirds, with one third vesting upon each of the first, second and third anniversaries of issuance.

(6) Each Option was granted with a strike price of £.07625 per option (C\$0.15282 per Option, based on an exchange rate of \$0.5908:£1.00).

Compensation securities were exercised by directors or Named Executive Officers of the Corporation during the most recently completed financial year as set forth below.

<b>Exercise of Compensation Securities by Directors and NEOs</b>							
<b>Name and Position</b>	<b>Type of Compensation Security</b>	<b>Number of Underlying Securities Exercised</b>	<b>Exercise Price Per Security (\$)</b>	<b>Date Of Exercise</b>	<b>Closing Price Per Security on Date of Exercise (\$)</b>	<b>Difference Between Exercise Price and Closing Price on Date of Exercise (\$)</b>	<b>Total Value on Exercise Date (\$)</b>
<b>Gage Jull</b> Director and Chairman of the Board	Phantom Shares	4,000,000	\$0.00	October 24, 2021	\$0.14	\$0.14	560,000
<b>Marshall Abbott</b> CEO and Director	Phantom Shares	416,667	\$0.00	April 12, 2021	\$0.13	\$0.13	54,167
<b>Marshall Abbott</b> CEO and Director	Phantom Shares	3,583,333	\$0.00	October 24, 2021	\$0.14	\$0.14	501,667
<b>Joe McFarlane</b> CFO	Phantom Shares	4,000,000	\$0.00	October 24, 2021	\$0.14	\$0.14	560,000
<b>Max Satel</b> Executive VP Corporate Development and Investor Relations	Phantom Shares	4,000,000	\$0.00	October 24, 2021	\$0.14	\$0.14	560,000
<b>Gage Jull</b> Director and Chairman of the Board	Phantom Stock Option	300,000	\$0.05	October 24, 2021	\$0.14	\$0.09	27,000
<b>Marshall Abbott</b> CEO and Director	Phantom Stock Option	300,000	\$0.05	October 24, 2021	\$0.14	\$0.09	27,000
<b>Joe McFarlane</b> CFO	Phantom Stock Option	300,000	\$0.05	October 24, 2021	\$0.14	\$0.09	27,000
<b>Max Satel</b> Executive VP Corporate Development and Investor Relations	Phantom Stock Option	781,000	\$0.05	October 24, 2021	\$0.14	\$0.09	70,290

## **Stock Option Plan**

The Corporation has implemented the Plan as an integral component of its compensation arrangement for Eligible Participants. A description of the Plan can be found under the heading "*Annual and Special Meeting Business – Item 5- Approval of the Option Plan*" in this Circular.

The purpose of the Option Plan is to provide an incentive to Eligible Participants to achieve the longer-term objectives of the Corporation; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation; and to attract and retain persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Corporation. The longer-term focus of the Option Plan complements and balances the short-term elements of the compensation program of the Corporation.

The Option Plan is administered by the Board of Directors and all decisions and interpretations of the Board of Directors respecting the Option Plan or Options granted thereunder shall be conclusive and binding on the Corporation and on the optionees. The Board of Directors may, at any time and from time to time, grant Options under the Option Plan on terms and conditions to be determined by the Board of Directors from time to time, subject to the conditions contained in the Option Plan and subject to the policies of the TSXV. Previous grants of incentive stock options will not be taken into account when considering new grants.

As of the date hereof: (i) the Corporation has 13,545,000 Options outstanding under the Option Plan; and (ii) there remains for issuance under the Option Plan 8,027,467 Options, which together represents 10% of the currently outstanding Common Shares.

## **Employment, Consulting and Management Agreements**

During 2020, the Corporation entered into employment agreements with each of Mr. Gage Jull, Mr. G. Marshall Abbott and Mr. Joe McFarlane. Pursuant to those employment agreements, each executive's salary was set at \$200,000 per annum, half of which is payable in cash and half of which is payable in shares of the Corporation or equity-linked compensation in accordance with the terms of the employment agreement.

New employment agreements (the "**New Employment Agreements**") were made with each of Named Executive Officer as of November 23, 2021. Pursuant to those employment agreements, each executive's salary was set at USD\$270,000 per annum. The New Employment Agreements provide that the executive may also be entitled to an award under the Corporation's short or long term incentives at the discretion of the Board of Directors. If the executive's employment agreement is terminated by the Corporation without just cause or by the executive for good reason, the executive shall be entitled to all accrued and unpaid base salary and vacation pay, plus the aggregate of (i) a retiring allowance equal to two times annual base salary; (ii) an amount equal to 15% of such amount to compensate for loss of other benefits and perquisites; and (iii) a lump sum payment in lieu of cash bonus equal to the cash bonus received by the executive during the previous two calendar years, divided by two.



***Estimated Incremental Payments on Termination Without Cause***

The following table sets forth the estimated incremental payments and benefits that would be received following termination without cause of the Named Executive Officers had such event occurred on December 31, 2021.

<b>Name</b>	<b>Employment Agreements<sup>(1)</sup> (\$)</b>	<b>Stock Option Plan<sup>(2)</sup> (\$)</b>	<b>Bonus (\$)</b>	<b>Total (\$)</b>
<b>Gage Jull</b> Director and Chairman of the Board	787,272	nil	241,667	1,028,939
<b>Marshall Abbott</b> CEO and Director	787,272	nil	275,000	1,072,586
<b>Joe McFarlane</b> CFO	787,272	nil	241,667	1,028,939
<b>Max Satel</b> Executive VP Corporate Development and Investor Relations	787,272	nil	241,667	1,028,939

**Notes:**

- (1) The employment agreements of the relevant Named Executive Officers provide for a termination payment upon a change of control or termination without just cause or other such events as described above, under the heading “*Employment, Consulting and Management Agreements.*”
- (2) Vesting of stock options is not accelerated upon termination without cause.

### ***Estimated Incremental Payments on Change of Control***

The following table sets forth the estimated incremental payments and benefits that would be received by the Named Executive Officers following a change of control had such event occurred on December 31, 2021.

<b>Name</b>	<b>Employment Agreements (\$)</b>	<b>Stock Option Plan<sup>(2)</sup> (\$)</b>	<b>Bonus (\$)</b>	<b>Total (\$)</b>
<b>Gage Jull</b> Director and Chairman of the Board	684,584	103,777	241,667	1,030,029
<b>Marshall Abbott</b> CEO and Director	684,584	113,002	275,000	1,072,586
<b>Joe McFarlane</b> CFO	684,584	103,777	241,667	1,030,029
<b>Max Satel</b> Executive VP Corporate Development and Investor Relations	787,272	113,002	241,667	1,039,253

**Notes:**

- (1) The employment agreements of the relevant Named Executive Officers provide for a termination payment upon a change of control or termination without just cause or other such events as described above, under the heading “*Employment, Consulting and Management Agreements.*”
- (2) As provided for in the Option Plan, upon a change of control all unvested Options shall vest and become immediately exercisable. Value is calculated based on the difference between the exercise of the Options and the closing price of the Common Shares on the TSXV on December 31, 2021, being \$0.12. Includes both Stock Options and Phantom Stock Options.
- (3) All Phantom Shares have vested.
- (4) Values are not disclosed for Mr. Scott, as his employment with the Corporation ended prior to December 31, 2021.

### **Oversight and Description of Named Executive Officer Compensation**

#### ***Compensation Objectives and Process***

In assessing the compensation of its executive officers during 2021, the Corporation relied mainly on discussion between the Compensation Committee and the Board of Directors. The Compensation Committee reviews and recommends to the Board of Directors, among other things, policies in the following areas: corporate compensation and benefits policies, especially executive compensation, including the compensation of the CEO; terms and conditions of employee benefit plans, if any; employment agreements relating to the CEO and other executive officers of the Corporation; stock option grants to officers and employees of the Corporation; and directors’ compensation. The Board of Directors is responsible for setting the overall compensation strategy of the Corporation and administering the Corporation’s executive compensation program with input from the CEO and Compensation Committee in respect of all executive officers. As part of its mandate, the Board of Directors approves the remuneration of the Corporation’s executive officers upon the recommendation of the Compensation Committee, including the Named Executive Officers of the Corporation. The Board of Directors is also responsible for reviewing the Corporation’s compensation policies and guidelines generally.

The objective of the Corporation’s executive compensation program is to motivate, reward and retain management talent needed to achieve the Corporation’s business objectives. The compensation program is designed to ensure that compensation is competitive with other companies of similar size and is commensurate with the experience, performance and contribution of the individuals involved and the overall performance of the Corporation. In evaluating performance, the Board of Directors gives consideration to the Corporation’s long-term interests and quantitative financial objectives, as well to the qualitative aspects of the individual’s performance and achievements.

Compensation for directors of the Corporation, if any, is also determined by the Board of Directors upon the recommendation of the Compensation Committee.

### ***Elements of Compensation***

The Corporation's executive compensation program is comprised of three principal components: base salary, incentive bonus plan and awards granted pursuant to the Option Plan. For 2021, the executive compensation program also included the issuance of Phantom Shares and Phantom Stock Options, as described below.

Executive officers are paid a base salary to compensate them for providing the leadership and specific skills needed to fulfill their responsibilities. The payment of base salaries is an important component of the Corporation's compensation program and serves to attract and retain qualified individuals. Base salaries for all employees of the Corporation are established for each position through comparative salary surveys of similar type and size corporations. In determining base salaries, the Board of Directors takes into account the knowledge of the industry and the financial resources of the Corporation.

Certain executive officers and other senior management were issued Phantom Shares and Phantom Stock Options in 2020, as the Corporation did not have the financial resources to afford their full salaries. Phantom Shares and Phantom Stock Options entitle the holder to a cash payment per Phantom Share or Phantom Option equal to the difference between the market price of the Common Shares on the date of exercise and the exercise price of the Phantom Share or Phantom Option, as applicable. The Phantom Shares and Phantom Stock Options were used to compensate said executive officers and senior management for providing the leadership and specific skills needed to fulfill their responsibilities while conserving funds available to the Corporation. Base salaries and Phantom Shares and Phantom Stock Options for executive officers and senior management of the Corporation were established for each position through comparative salary surveys of similar type and size of corporations. In determining base salaries and Phantom Shares and Phantom Stock Options, the Board of Directors took into account the knowledge of the industry and the financial resources of the Corporation. All such Phantom Shares and Phantom Stock Options have been exercised.

Incentive bonuses, in the form of cash payments, are designed to add a variable component of compensation based on corporate and individual performance for executive officers and employees. Bonuses also serve as a retention incentive for executive officers so that they remain in the employ of the Corporation. In 2021, a number of significant milestones took place that were considered by the Compensation Committee when awarding bonuses and compensation including the sale of LLA 23, the listing on the AIM, the subsequent financing and company performance. The Compensation Committee and Board of Directors weighted the above events by evaluating the expected current and future value to shareholders when awarding Incentive bonuses.

Awards pursuant to the Option Plan are intended to enhance the Corporation's long-term performance by rewarding executive officers for maximizing shareholder value over time. In determining the awards to be granted to executive officers, the Board of Directors takes into account the individual's position, scope of responsibility, ability to affect profits and shareholder value and the value of the options in relation to other elements of the individual executive officer's total compensation.

### ***Significant Events Affecting Compensation***

In 2021 a number of significant milestones took place that were considered by the Compensation Committee when awarding bonuses and compensation including the sale of LLA 23, the listing on the AIM, the subsequent financing and company performance. Bonuses include cash payments that were made to management for the sale of LLA 23 and the successful AIM listing. Other Compensation, awarded as stock or options, includes the FMV of options issues to management as part of the Company's option plan as well as the market value of stock issued to management as part of the AIM listing and retirement of the Phantom shares process. Other items considered by the Compensation Committee when awarding Bonuses and Other Compensation were the significant savings recognized from aged payables, cancellation of a punitive marketing contract, renegotiation of the Canacol note including the conversion of debt into equity at the same price offered to shareholders in the financing as well as the share performance of the company. The Compensation Committee considered the expected value to shareholders when determining the Bonus and Other Compensation payments.

## Pension Disclosure

The Corporation does not have a pension plan or any other plan that provides for payments or benefits at, following or in connection with retirement and is not currently providing a pension to any directors of the Corporation or Named Executive Officers. The Corporation does not have a deferred compensation plan.

## Securities Authorized for Issuance Under Equity Compensation Plans

Set out below is information pertaining to the Corporation's Option Plan as at the year ended December 31, 2021:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	13,545,000	\$0.19	7,911,714 <sup>(1)</sup>
Equity compensation plans not approved by security holders	nil	nil	nil
Total	13,545,000	\$0.19	7,911,714

### Notes:

- (1) The formula used for calculating the number of securities remaining available for future issuance under the Option Plan is as follows:  
 $\# \text{ of issued Shares} \times 10\% - \# \text{ of issued Options} = \# \text{ of Options available for future issuance}$

## Indebtedness of Directors and Executive Officers

At no time since the beginning of the last completed financial year did any director or officer, or any associate of any such director or officer, owe any indebtedness to the Corporation or owe any indebtedness to any other entity which is, or at any time has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

## PART IV — CORPORATE GOVERNANCE DISCLOSURE

In 2005, the Canadian Securities Administrators created National Policy 58-201 - *Corporate Governance Guidelines* (the “**Policy**”) and National Instrument 58-101 - *Disclosure of Corporate Governance Practices*, Form 58-101F1 and Form 58-101F2. The Policy addresses matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees, and the effectiveness and education of board members. Below is the Corporation’s corporate governance disclosure prescribed by Form 58-101F2 - *Corporate Governance Disclosure (Venture Issuers)* with respect to matters set out under the Policy.

### Board of Directors

The Board of Directors is currently comprised of six directors, four of whom are independent within the meaning of “independent” as defined in Section 1.4 National Instrument 52-110 - *Audit Committees*. Neither Gage Jull nor Marshall Abbott is considered to be independent because they are also executive officers of the Corporation.

In order to facilitate independent judgment, members of the Board of Directors recuse themselves from the discussion of and voting on any matters of the Corporation which may be perceived to place them in a conflict of interest.

## Directorships

The following directors of the Corporation are also currently directors of other reporting issuers as set out below as of the date hereof:

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	From	To
Gage Jull Executive Chairman	TRYP Therapeutics Inc., British Columbia	CSE	Director and Chair of Audit Committee	September 2020	Present
	GeneTether Therapeutics Inc., British Columbia	CSE	Director and Chair of Audit Committee	October 2021	Present

## Orientation and Continuing Education

Each new director is given an outline of the nature of the Corporation's business, its corporate strategy, and current issues within the Corporation. New directors are also required to meet with management of the Corporation to discuss and better understand the Corporation's business and are given the opportunity to meet with counsel to the Corporation to discuss their legal obligations as directors of the Corporation.

In addition, management of the Corporation takes steps to ensure that its directors and officers are continually updated as to the latest corporate and securities policies which may affect the directors, officers and committee members of the Corporation as a whole. The Corporation continually reviews the latest securities rules and policies and is on the mailing list of the TSXV to receive updates to any of those policies. Any such changes or new requirements are then brought to the attention of the Corporation's directors either by way of director or committee meetings or by direct communication from management to the directors.

## Ethical Business Conduct

To encourage and promote a culture of ethical business conduct, the Board of Directors has established a Whistleblower Policy which details the complaint procedure for financial concerns, an Insider Trading Blackout Policy which details the Corporation's policies ensuring strict compliance by all Insiders with the prohibition against insider trading, a Compliance with Anti-Corruption Laws Policy which ensures fair business dealings by prohibiting payment of any kind to government officials in order to gain improper advantages, and a Code of Business Conduct and Ethics (the "**Policies**"). The full text of each of the Policies is available free of charge to any person upon request to the Corporation at 1430 - 333 11th Avenue SW, T2R 1L9 Calgary, Alberta (Telephone: 403-237-5700).

In addition to the Policies, as some of the directors of the Corporation also serve as directors and officers of other companies engaged in similar business activities, the Board of Directors must comply with the conflict of interest provisions of the ABCA, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke any such conflict.

## Nomination of Directors

The Governance and Nominating Committee is responsible for identifying new candidates for board nomination. The committee is comprised of three directors and identifies new candidates for the Board of Directors after consideration of the interests, independence and experience of the individual directors and the independence and experience requirements of the TSXV and the rules and regulations of applicable law. The Governance and Nominating Committee, in conjunction with the Chairman of the Board, also has responsibility for assessing the performance of the Board of Directors as a whole, the committees of the Board of Directors and the individual directors. The size of the Board of Directors allows for consistent communication amongst the directors and management with respect to matters of effectiveness.

The Governance and Nominating Committee Charter of the Corporation was adopted and approved on November 27, 2018, re-approved on February 10, 2020, and is attached as Appendix D.

### **Compensation**

The compensation for the directors, CEO and senior management is approved by the Board, after receiving a recommendation from the Compensation Committee. The Compensation Committee is comprised of at least one independent director and is responsible for making recommendations regarding compensation for the CEO, senior management executive officers, and directors by reviewing compensation in light of the employee's role. The Compensation Committee reviews competitive market data as publicly disclosed by corporations of similar type and size for compensation of directors and officers of the Corporation and makes recommendations to the Board of Directors regarding the format and quantum of such compensation. As part of this process, external consultants may be engaged by the Compensation Committee from time to time to conduct a competitive review of and to make specific recommendations on compensation for directors and officers of the Corporation.

The Compensation Committee Charter was adopted and approved on October 2, 2018, re-approved on February 10, 2020, and is attached as Appendix B.

### **Audit Committee**

Under National Instrument 52-110 - Audit Committee, the Corporation is required to disclose information with respect to its audit committee, including the composition of the audit committee, the text of its audit committee charter (which was adopted and approved on October 2, 2018 and re-approved on February 10, 2020) and the fees paid to the external auditor. Such information is attached as Appendix A.

### **Other Board Committees**

In addition to the Audit, Compensation and Governance and Nominating committees, the Board of Directors has established the following committees:

#### ***Reserves Committee***

The Reserves Committee is comprised of three (3) independent directors and, among other things, assists the Board of Directors with its oversight responsibilities with respect to evaluating and reporting on the Corporation's oil and gas reserves. The Reserves Committee Charter was adopted and approved on November 27, 2018, re-approved on February 10, 2020, and is attached as Appendix C.

#### ***Environmental, Social and Governance Committee***

The ESG Committee is comprised of three (3) directors and, among other things, assists the Board of Directors in fulfilling its oversight responsibilities with respect to the Corporation's social responsibility and sustainability management. The ESG Committee Charter was adopted and approved on June 6, 2022, and is attached as Appendix D.

### **Assessments**

The size of the Board of Directors and management team allows for consistent communication amongst the directors and management with respect to matters of effectiveness.

## **PART V – ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available under the Corporation's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com).

Financial information in respect of the Corporation and its affairs is provided in the Corporation's annual financial statements for the year ended December 31, 2021 and the related management's discussion and analysis. Copies of the Corporation's financial statements and related management's discussion and analysis are available on SEDAR at [www.sedar.com](http://www.sedar.com) and will be sent by the Corporation to any Shareholder upon request by calling (403) 237-5700.

## **APPENDIX A — AUDIT COMMITTEE OF ARROW EXPLORATION CORP.**

### **AUDIT COMMITTEE CHARTER**

#### **MANDATE**

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by Arrow Exploration Corp. (the “**Company**”) to regulatory authorities and shareholders, the Company’s systems of internal controls regarding finance and accounting, and the Company’s auditing, accounting and financial reporting processes. Consistent with this function, the Audit Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Audit Committee’s primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Company’s financial reporting and internal control systems and review the Company’s financial statements;
- review and appraise the performance of the Company’s external auditors; and
- provide an open avenue of communication among the Company’s auditors, financial and senior management and the Board of Directors.

#### **COMPOSITION**

The Audit Committee shall be comprised of three directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would reasonably interfere with the exercise of his or her independent judgment as a member of the Audit Committee. At least one member of the Audit Committee shall have accounting or related financial management expertise. All members of the Audit Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Audit Committee’s Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company’s financial statements. The members of the Audit Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders’ meeting.

#### **MEETINGS**

The Audit Committee shall meet at least four times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Audit Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

#### **RESPONSIBILITIES AND DUTIES**

To fulfill its responsibilities and duties, the Audit Committee shall:

##### Documents/Reports Review

- (a) Review and update this Charter annually.
- (b) Review the Company’s financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.
- (c) Confirm that adequate procedures are in place for the review of the Company’s public disclosure of financial information extracted or derived from the Company’s financial statements.



## External Auditors

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Audit Committee as representatives of the shareholders of the Company.
- (b) Obtain annually, a formal written statement of the external auditors setting forth all relationships between the external auditors and the Company, consistent with the Independence Standards Board Standard 1.
- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (d) Take, or recommend that the full Board of Directors, take appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the Board of Directors the selection and compensation and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (f) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- (g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (h) Review with management and the external auditors the audit plan for the year end financial statements and intended template for such statements.
- (i) Review and pre-approve all audit and audit related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - (i) the aggregate amount of all such non audit services provided to the Company constitutes not more than five percent of the total amount of fees paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
  - (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services; and
  - (iii) such services are promptly brought to the attention of the Audit Committee by the Company and approved prior to the completion of the audit by the Audit Committee or by one or more members of the Audit Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Audit Committee. Provided the pre-approval of the non-audit services is presented to the Audit Committee's first scheduled meeting following such approval, such authority may be delegated by the Audit Committee to one or more independent members of the Audit Committee.

## Financial Reporting Processes

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.

- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (i) Review certification process.
- (j) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

Review any related party transactions.

Adopted and approved by the Board on October 2, 2018 and re-approved on February 10, 2020.

**Composition of the Audit Committee**

The Audit Committee of the Corporation is composed of the following individuals:

Maria Charash Koundina	Independent <sup>(1)</sup>	Financially literate <sup>(3)</sup>
Anthony Zaidi	Independent <sup>(1)</sup>	Financially literate <sup>(3)</sup>
Gage Jull	Non-Independent <sup>(1)(2)</sup>	Financially literate <sup>(3)</sup>

**Notes:**

- (1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Corporation which could, in the view of the Board, reasonably interfere with the exercise of a member’s independent judgment
- (2) Mr. Jull is deemed not to be independent because he is Chairman of the Board of Directors.
- (3) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

**Relevant Education and Experience**

Mr. Jull has acted as a co-founder and CEO of Bordeaux Capital Inc., a financial services advisory firm primarily doing business in the natural resources sector. Mr. Jull has completed over 200 M&A and **financing** transactions during his career and also currently acts as the Chair of the Audit Committee of two other reporting issuers: TRYP Therapeutics Inc. and GeneTether Therapeutics Inc. Mr. Jull holds a B.Sc. and MBA as well as both P.Eng and CFA designations.

Ms. Charash Koundina has held a number of finance positions during her career. Her financial experience includes: acting as Interim CFO of Recircle, rubber recycling company; acting as Financing Advisor to Viridor, KKR-backed energy from waste producer; acting as Deputy CFO of Petredec Pte Ltd., a company engaged in LPG trading and shipping; acting as VP M&A and Corporate Development, EMEA for World Fuel Services Corporation, an NYSE-

listed company providing energy, logistics and technology solutions; acting as Head of Project Management Office, Shell – BG Treasury Merger Integration.

Mr. Zaidi is a lawyer and businessman with significant experience in corporate finance and in the mining and energy sector in Colombia. Prior to joining Canacol, Mr. Zaidi was the President and General Counsel of Carrao Energy Ltd., a private oil and gas exploration company he co-founded and co-managed until its acquisition by Canacol in November 2011. Prior to Carrao Energy Ltd., he had been an officer or director of several private and public companies, including Integral Oil Services, Pacific Rubiales Energy, Petromagdalena Energy, Medoro Resources and others, as well as a securities lawyer at Blake, Cassels & Graydon LLP. Mr. Zaidi holds a Juris Doctor degree from the University of Toronto as well as a Bachelor of Commerce (Finance) degree from McGill University.

### **Audit Committee Oversight**

At no time since the commencement of the Corporation’s most recently completed financial year has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Corporation’s board of directors.

### **Reliance on Certain Exemptions**

At no time since the commencement of the Corporation’s most recently completed financial year has the Corporation relied on an exemption contained in Sections 2.4, 3.2, 3.4, 3.5, 3.6, or 3.8 of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), an exemption contained in Subsection 3.3(2) of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

### **Pre-Approval Policies and Procedures**

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

### **External Auditor Service Fees (By Category)**

The aggregate fees billed by the Corporation’s external auditors in each of the last two fiscal years are as follows:

<b>Financial Period Ending December 31</b>	<b>Audit Fees (\$)</b>	<b>Audit Related Fees<sup>(1)</sup> (\$)</b>	<b>Tax Fees<sup>(2)</sup> (\$)</b>	<b>All Other Fees (\$)</b>
2021	\$173,875	-	-	-
2020	\$171,867	-	\$23,356	-

### **Note:**

- (1) The aggregate fees billed for audit related services include a statutory audit in Colombia pursuant to local requirements.
- (2) The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning.

### **Exemption**

The Corporation is relying upon the exemption in section 6.1 of NI 52-110.

## **APPENDIX B — COMPENSATION COMMITTEE CHARTER OF ARROW EXPLORATION CORP.**

### **PURPOSE**

The purpose of the Compensation Committee is to assist the Board in discharging its duties relating to compensation of the executive officers of Arrow Exploration Corp. (the “**Company**”). The Committee’s goal is to enable the Company to attract, retain and motivate talented employees who will contribute to the long term success of the Company, by aligning compensation with market conditions, Company performance, and the interest of shareholders to maximize shareholder value.

### **DUTIES**

The Committee’s duties and responsibilities are:

- (a) to review the compensation of Chief Executive Officer (“CEO”) and to make recommendations to the Board with respect to the CEO’s compensation level.
- (b) to make recommendations to the Board with respect to the compensation of other senior management and executive officers of the Company.
- (c) to review the compensation and benefits of the directors and to ensure that such compensation reflects the responsibilities and risks involved in being a director.
- (d) to review and make recommendations to the Board as to the general compensation and benefits policies and practices of the Company, including incentive stock options for all employees, consultants, directors and officers.
- (e) to review and approve the disclosure to be made of director and executive remuneration in the Management Information Circular.
- (f) to ensure there are appropriate training, development and benefit programs in place for management and staff.
- (g) to review and make recommendation to the Board for its approval on any special compensation and benefit arrangements.
- (h) to review its compensation practices by comparing them to surveys of relevant competitors and to set objective compensation based on this review.
- (i) to perform such other functions as the Board may from time to time assign to the Committee.
- (j) to review its charter and assess annually the adequacy of this mandate, the effectiveness of its performance, and to recommend changes to the Board for its approval.

### **COMPOSITION**

All of the members of the Compensation Committee will, at all times, be independent of the Company within the meaning of applicable laws, rules, policies, guidelines and requirements as determined by the Board.

Members of the Compensation Committee shall be appointed from time to time to hold office at the pleasure of the Board.

### **COMMITTEE CHAIR**

The Board shall appoint a Chair for the Compensation Committee.

If the Chair of the Compensation Committee is not present at any meeting of the Compensation Committee, one of the other members of the Compensation Committee who is present at the meeting shall be chosen by the Compensation Committee to preside at the meeting.

## **MEETINGS**

The Compensation Committee is responsible to meet as often as required to discharge its duties.

The Chair of the Compensation Committee will, in consultation with the members, determine the schedule, time and place of meetings.

A quorum for a meeting of the Compensation Committee shall be a majority of members present in person or by telephone conference call.

Notice of the time and place of every meeting shall be given in writing (including by way of written email or facsimile communication) to each member of the Compensation Committee at least 24 hours prior to the time fixed for such meeting, provided, however, that a member may in any manner waive a notice of a meeting; and attendance of a member at a meeting constitutes a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

At the invitation of the Chair of the Compensation Committee, one or more officers of the Company may attend any meeting of the Compensation Committee.

## **PROCEDURES, RECORDS AND REPORTING**

Subject to any statute or articles and by-laws of the Company, the Compensation Committee shall fix its own procedures at meetings, keep records of its proceedings and report to the Board when the Compensation Committee may deem appropriate (but not later than the next meeting of the Board). The minutes of its meetings shall be distributed to all members of the Board. All Directors shall be provided with access to any materials distributed to members of the Compensation Committee.

The Compensation Committee is responsible for reviewing and approving the disclosure of executive and director compensation prepared for inclusion in the Company's annual management information circular.

## **DELEGATION**

The Compensation Committee may delegate, from time to time, to any individuals or sub-committees of the Compensation Committee, any of the Compensation Committee's responsibilities that lawfully may be delegated.

## **MATERIALS**

The Compensation Committee has access to all books, records, facilities and personnel of the Company necessary for the discharge of its duties.

## **GOVERNANCE**

The Compensation Committee is responsible to annually review, and in its discretion make recommendations to the Board regarding confirmation of or changes to be made to its Charter.

## **ADVISORS**

The Compensation Committee has the power, at the expense of the Company, to retain, instruct, compensate and terminate independent advisors to assist the Compensation Committee in the discharge of its duties.

Adopted and approved by the Board on October 2, 2018 and re-approved by the Board on February 10, 2020.

## **APPENDIX C — RESERVES COMMITTEE CHARTER OF ARROW EXPLORATION CORP.**

### **PURPOSE AND POLICY**

The Board of Directors (the “**Board**”) of Arrow Exploration Corp. (the “**Company**”) has established the Reserves Committee of the Board (the “**Committee**”) with authority, responsibility and specific duties as described in this Reserves Committee Charter (this “**Charter**”). The primary purpose of the Committee shall be to act on behalf of the Board in fulfilling the Board’s oversight responsibilities with respect to evaluating and reporting on the Company’s oil and gas reserves.

### **COMPOSITION**

The Committee shall consist of at least three members of the Board. A majority of the members of the Committee shall satisfy the independence requirements of the TSX Venture Exchange and a majority of the members of the Committee will not be and will not have been during the 12 months preceding their appointment: (i) an officer or employee of the Company or an affiliate of the Company; (ii) a person who beneficially owns 10% or more of the outstanding voting securities of the Company; or (iii) a relative of a person referred to in (i) or (ii), residing in the same home as that person. The members of the Committee shall be appointed by and serve at the discretion of the Board. Vacancies occurring on the Committee shall be filled by the Board by an affirmative vote of a majority of the Board. The Chair of the Committee shall be appointed by the Board or, if it does not do so, the members of the Committee may elect a Chair by vote of a majority of the full Committee membership.

Each member of the Committee, as well as the Chairman, will be paid the fee set by the Board for his or her services as a member, or Chairman, as the case may be, of the Committee. Subject to the Company’s Governance Guidelines and other policies, Committee members, including the Chairman, will be reimbursed by the Company for all reasonable expenses incurred in connection with their duties as Committee members.

### **MEETINGS AND MINUTES**

The Committee shall hold such regular or special meetings as its members shall deem necessary or appropriate. Minutes of each meeting of the Committee shall be prepared and distributed to each director of the Company and the Secretary of the Company promptly after each meeting. The Chair of the Committee shall report to the Board from time to time, or whenever so requested by the Board. Meetings may, at the discretion of the Committee, include members of the Company’s management, independent advisors and consultants or any other persons whose presence the Committee believes to be necessary or appropriate. Those in attendance may observe meetings of the Committee, but may not participate in any discussion or deliberation unless invited to do so by the Committee, and in any event are not entitled to vote. At the discretion of the Committee Chair, any director who is not a Committee member may attend Committee meetings as a guest. The Committee shall meet in executive session as required and discussions may include such topics as the Committee members determine.

A majority of the Committee’s members will constitute a quorum. The Committee will act on the affirmative vote of a majority of members present at a meeting at which a quorum is present. The Committee may also act by unanimous written consent in lieu of a meeting.

### **AUTHORITY**

The Committee is delegated all authority of the Board as may be required or advisable to fulfill the purposes of the Committee. Without limiting the generality of the preceding statements, the Committee has the authority, and is entrusted with the responsibility to take the following actions. The Committee shall have authority to pay, at the expense of the Company, ordinary administrative expenses that, as determined by the Committee, are necessary or appropriate in carrying out its duties. The Committee shall have full access to all books, records, facilities and personnel of the Company as deemed necessary or appropriate by any member of the Committee to discharge his or her responsibilities hereunder. The Committee shall have authority to require that any of the Company’s personnel, counsel, or any other consultant or advisor to the Company attend any meeting of the Committee or meet with any member of the Committee or any of its special legal, accounting or other advisors and consultants. The approval of

this Charter by the Board shall be construed as a delegation of authority to the Committee with respect to the responsibilities set forth herein.

## **RESPONSIBILITIES**

The Committee shall oversee the Company's (i) annual review of its oil and gas reserves, (ii) procedures for evaluating and reporting its oil and gas producing activities, (iii) compliance with applicable regulatory and securities laws relating to the preparation and disclosure of information with respect to its oil and gas reserves, and (iv) consult with the Audit Committee on such matters relating to the Company's oil and gas reserves which impact the Company's financial statements. The Committee's functions and procedures should remain flexible to address changing circumstances most effectively. To implement the Committee's purpose and policy, the Committee shall be charged with the following functions and processes with the understanding, however, that the Committee may supplement or (except as otherwise required by applicable laws or rules) deviate from these activities as appropriate under the circumstances:

***Review of Disclosure Procedures.*** To review at least annually the Company's procedures relating to disclosure of information with respect to the oil and gas activities of the Company, including its procedures for complying with the disclosure requirements and restrictions of National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101").

***Evaluation and Retention of Consultants.*** To evaluate the performance of the qualified independent reserve evaluator(s) or auditor(s) (the "**Consultants**") appointed by the Company and retained to assist the Company in the annual and any quarterly evaluation or review of the Company's oil and gas reserves data, to annually assess their qualifications and independence and to determine whether to retain or to terminate the Consultants. In the case of any proposed change in the appointment of the Consultant(s), determine the reasons for the proposed change and whether there have been any disputes between the appointed Consultant(s) and management of the Company.

***Approval of Engagements.*** To determine and approve the engagements of the Consultants and the compensation to be paid, at the Company's expense, to the Consultants.

***Provision of Information to the Consultants.*** To annually review the Company's procedures for providing information to the Consultant(s) who report on the Company's reserves data for the purposes of NI 51-101.

***Review and Recommendation.*** To review: (i) the content and filing of the Company's statement of reserves data and other oil and gas information specified in Form 51-101F1, (ii) the filing of the report of the Consultant(s) on the Company's reserves data in accordance with Form 51-101F2, and (iii) the content and filing of the Company's report of management and directors on oil and gas disclosure in accordance with Form 51-101F3, or such other reserves or resources disclosure documentation prepared by the Company for dissemination to the public, as applicable, and make a recommendation to the Board as to whether to approve the content and filing of such documents.

Prior to recommending that the Board approve the filing of the statement of reserves data and other oil and gas information and the report of the Consultant(s) on the Company's reserves data with the applicable regulatory authorities, to meet with management and the Consultant(s) to: (i) determine whether any restrictions affect the ability of the Consultant(s) to report on the reserves or resources data of the Company without reservation; and (ii) review the reserves data and the report of the Consultant(s) thereon.

***Press Releases.*** To review and discuss with management (i) any press releases to be issued by the Company which disclose the Company's oil and gas reserves, and (ii) the substance of the Company's oil and gas reserves' information provided to analysts and ratings agencies, which discussions in each case may be general discussions of the type of information to be disclosed and, if appropriate, make recommendations to the Board regarding the issuance of such press releases.

***Separate Sessions.*** Periodically, to meet in separate sessions to discuss any matters that the Committee believes should be discussed privately with the Committee.

**Correspondence with Regulators.** To consider and review with management, outside counsel, as appropriate, and, in the judgment of the Committee, such special counsel, and other consultants and advisors as the Committee deems appropriate, any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the Company's oil and gas reserves.

**Regulatory Initiatives.** To review with counsel, and management, as appropriate, any significant regulatory or other legal or accounting initiatives or matters that may have a material impact on the Company's oil and gas reserves if, in the judgment of the Committee, such review is necessary or appropriate.

**Annual Charter Review.** To review and assess the adequacy of this charter annually and recommend any proposed changes to the Board for approval.

**Report to Board.** To report to the Board of Directors such other matters as the Committee deems appropriate from time to time or whenever it shall be called upon to do so.

**Reserves Committee Evaluation.** To conduct an annual evaluation of the performance of the Committee.

**General Authority.** To perform such other functions and to have such powers as may be necessary or appropriate in the efficient and lawful discharge of the foregoing.

\* \* \*

While the Committee members have the duties and responsibilities set forth in this Charter, nothing contained in this Charter is intended to create, or should be construed as creating, any responsibility or liability of the Committee members, except to the extent otherwise provided under applicable federal or state law.

Adopted and approved by the Board on November 27, 2018 and re-approved by the Board on February 10, 2020.



## **APPENDIX D — GOVERNANCE AND NOMINATING COMMITTEE CHARTER OF ARROW EXPLORATION CORP.**

### **PURPOSE**

The Board of Directors (the “**Board**”) of Arrow Exploration Corp. (the “**Company**”) has established the Governance and Nominating Committee of the Board (the “**Committee**”) with authority, responsibility and specific duties as described in this Governance and Nominating Committee Charter (this “**Charter**”). The purposes of the Committee of the Board of the Company, shall be to (1) oversee all aspects of the Company’s corporate governance functions on behalf of the Board; (2) advise and make recommendations to the Board regarding corporate governance issues; (3) identify, review and evaluate candidates to serve as directors of the Company; (4) review and evaluate incumbent directors to continue serving as directors of the Company; (5) serve as a focal point for communication among board candidates, non-committee directors and the Company’s management; (6) recommend to the Board candidates for election by the Board or as nominees for election by the shareholders of the Company; (7) recommend to the Board the appropriate insurance coverage for the Company’s directors and executive officers; and (8) make other recommendations to the Board regarding affairs relating to the directors of the Company.

### **COMPOSITION**

The Committee shall consist of at least three members of the Board. Each member of the Committee shall satisfy (1) the independence requirements of the TSX Venture Exchange (“**TSXV**”) applicable to nominating committee members, as in effect from time to time, including any exceptions permitted by these requirements and (2) any other qualifications established by the Board from time to time. The members of the Committee and the Committee Chair shall be appointed by the Board and may be removed by the Board in its discretion. Vacancies occurring on the Committee shall be filled by the Board by an affirmative vote of a majority of the Board. If a Chairman is not designated by the Board or present at a meeting, the Committee may designate a Chairman by majority vote of the Committee members then in office.

Each member of the Committee, as well as the Chairman, will be paid the fee set by the Board for his or her services as a member, or Chairman, as the case may be, of the Committee. Subject to the Company’s Governance Guidelines and other policies, Committee members, including the Chairman, will be reimbursed by the Company for all reasonable expenses incurred in connection with their duties as Committee members.

### **MEETINGS AND MINUTES**

The Committee shall hold such regular or special meetings as its members deem necessary or appropriate. Minutes of each meeting of the Committee shall be prepared and distributed to each director of the Company and the Secretary of the Company promptly after each meeting. The Committee shall report to the Board from time to time and whenever requested to do so by the Board. Meetings may, at the discretion of the Committee, include members of the Company’s management, independent advisors and consultants or any other persons whose presence the Committee believes to be necessary or appropriate. Those in attendance may observe meetings of the Committee, but may not participate in any discussion or deliberation unless invited to do so by the Committee, and in any event are not entitled to vote. At the discretion of the Committee Chair, any director who is not a Committee member may attend Committee meetings as a guest. The Committee shall meet in camera session as required and discussions may include such topics as the Committee members determine.

A majority of the Committee’s members will constitute a quorum. The Committee will act on the affirmative vote of a majority of members present at a meeting at which a quorum is present. The Committee may also act by unanimous written consent in lieu of a meeting.

## **AUTHORITY**

The Committee is delegated all authority of the Board as may be required or advisable to fulfill the purposes of the Committee. Without limiting the generality of the preceding statements, the Committee has the authority, and is entrusted with the responsibility to take the following actions. Each member of the Committee shall have full access to all books, records, facilities and personnel of the Company as deemed necessary or appropriate by any member of the Committee to discharge his or her responsibilities hereunder. The Committee shall have the sole authority to obtain, at the expense of the Company, advice and assistance from internal or external legal, accounting or other advisors and consultants it deems necessary or appropriate in carrying out its duties. In addition, the Committee shall have the sole authority to (1) retain any search firm used to help identify director candidates; (2) terminate any retained search firm; and (3) approve any retained search firm's retention terms, including compensation. The Company shall be obligated to pay all expenses related to any consultant retained by the Committee. Other reasonable expenditures for external resources that the Committee deems necessary or appropriate in the performance of its duties are permitted. The operation of the Committee shall be subject to the Bylaws of the Company as in effect from time to time and Alberta Corporate Law. The approval of this Governance and Nominating Committee Charter shall be construed as a delegation of authority to the Committee with respect to the responsibilities set forth herein.

## **RESPONSIBILITIES**

To implement the Committee's purpose and policies, the Committee shall be charged with the following duties and responsibilities. The Committee may supplement and, except as otherwise required by applicable law or regulatory requirements, deviate from these activities as appropriate under the circumstances:

*Director Nominations.* Except where the Company is legally required by contract or otherwise to provide third parties with the ability to nominate directors, the Committee shall identify, review and evaluate candidates to serve on the Board, including consideration of any potential conflicts of interest as well as applicable independence and experience requirements. The Committee shall also review, evaluate and consider the nomination of incumbent directors for re-election to the Board, and monitor the size of the Board. The Committee shall recommend to the Board candidates for election by the Board or as nominees for election by the shareholders of the Company. In the event that a vacancy on the Board arises, the Committee will seek and identify a qualified director nominee to be recommended to the Board for either appointment by the Board to serve the remainder of the term of the director position that is vacant or election at the next annual meeting of shareholders.

*Shareholder Proposals.* The Committee shall have the power and authority to consider recommendations for Board nominees and proposals submitted by the Company's shareholders and to establish any policies, requirements, criteria and procedures, including policies and procedures to facilitate shareholder communications with the Board, to recommend to the Board appropriate action on any such recommendation or proposal and to make any disclosures required by applicable law in the course of exercising its authority. The Committee will treat recommendations for directors that are received from the Company's shareholders equally with recommendations received from any other source; provided, however, that in order for such shareholder recommendations to be considered, the recommendations must comply with the procedures outlined in the Company's proxy statement for its annual meeting of shareholders.

*Board Assessment.* The Committee shall review at least annually, discuss and assess the performance of the Board, including Board committees, seeking input from senior management, the full Board and others. The assessment shall include evaluation of the Board's contribution as a whole and effectiveness in serving the best interests of the Company and its shareholders, specific areas in which the Board and/or management believe contributions could be improved, and overall Board composition and makeup, including the re-election of current Board members. The factors to be considered shall include whether the directors, both individually and collectively, can and do provide the integrity, experience, judgment, commitment, skills and expertise appropriate for the Company. The Committee shall also consider and assess the independence of directors, including whether a majority of the Board continues to be independent from management in both fact and appearance, as well as within the meaning prescribed by the TSXV. The results of these reviews shall be provided to the Board for further discussion as appropriate.

*Board Committee Recommendations.* The Committee, after due consideration of the interests, independence and experience of the individual directors and the independence and experience requirements of the TSXV and the rules and regulations of applicable law, shall recommend to the Board annually the chair and membership of each committee.

*Director Independence.* The Committee shall review the relationships between the Company and each director and report the results of its review to the Board, which will then determine which directors satisfy the applicable independence standards within the meaning prescribed by the TSXV and shall determine whether or not each director serving on a Board committee is independent, disinterested, a non-employee director or an outside director under the standards applicable to the committees on which such director is serving or may serve and report the results of its review to the Board, which will then determine which directors, if any, qualify as independent, disinterested, non-employee or outside directors under applicable standards.

*Continuing Education.* The Committee shall consider instituting a plan or program for the continuing education of directors.

*Corporate Governance Guidelines.* The Committee shall develop a set of corporate governance guidelines to be applicable to the Company, shall periodically review and assess these guidelines and their application, and recommend any changes deemed appropriate to the Board for its consideration. Further, the Committee shall review annually the Company's Code of Business Conduct and Ethics and review other Company policy statements to determine their adherence to the Company's Code of Business Conduct and Ethics.

*Management Succession.* The Committee shall periodically review with the Chief Executive Officer the plans for succession to the offices of the Company's executive officers and make recommendations to the Board with respect to the selection of appropriate individuals to succeed to these positions.

*Insurance Coverage.* The Committee shall review and make recommendations to the Board regarding the appropriate insurance coverage for the Company's directors and executive officers.

*Assessment.* The Committee shall review, discuss and assess its own performance at least annually. The Committee shall also periodically review and assess the adequacy of this charter, including the Committee's role and responsibilities as outlined in this Charter, and shall recommend any proposed changes to the Board for its consideration.

\* \* \*

While the Committee members have the duties and responsibilities set forth in this Charter, nothing contained in this Charter is intended to create, or should be construed as creating, any responsibility or liability of the Committee members, except to the extent otherwise provided under applicable federal or provincial law.

Adopted and approved by the Board on November 27, 2018 and re-approved on February 10, 2020.

## APPENDIX E —ESG COMMITTEE MANDATE

### ARROW EXPLORATION CORP. (the “Corporation”)

#### Environmental, Social & Governance Committee Mandate

##### Constitution and Purpose

The Environmental, Social & Governance Committee (the “**Committee**”) has been established by resolution of the Board of Directors (the “**Board**”) of the Corporation for the purpose of assisting the Board in fulfilling its oversight responsibilities with respect to the Corporation’s social responsibility and sustainability management. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Corporation’s policies, procedures, and practices at all levels.

The Committee’s primary roles and responsibilities are to:

- Serve as an independent and objective party to monitor the integrity and quality of the Corporation’s ESG strategy.
- Ensure that the Corporation’s ESG strategy is integrated into its business plan, corporate values and objectives and serves to foster a culture of responsibility and transparency.
- Review and approve the Corporation’s annual Sustainability Report.
- Review and approve the qualifications, independence, engagement, compensation and performance of the external party chosen to provide assurance on the Corporation’s annual Sustainability Report.

##### Composition

The Committee shall be composed of at least three individuals appointed by the Board from amongst its members, the majority of which will be independent. Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed or ceases to be a member of the Board. The Board shall fill vacancies in the Committee by appointment from among the members of the Board. If a vacancy exists on the Committee, the remaining members shall exercise all their powers so long as a quorum remains in office.

The Board shall appoint a chair for the Committee from its members (the “**Chair**”). If the Chair of the Committee is not present at any meeting of the Committee, one of the other members of the Committee who is present at the meeting shall be chosen by the Committee to preside at the meeting.

No Director who serves as board member of any other company shall be eligible to serve as a member of the Committee unless the Board has determined that such simultaneous service would not impair the ability of such member to effectively serve on the Committee. Determinations as to whether a particular Director satisfies the requirements for membership on the Committee shall be made by the Committee.

##### Meetings

The Committee shall meet at least twice per year and/or as deemed appropriate by the Committee Chair.

The Chair of the Committee, any member of the Committee, the Chairman of the Board or the Chief Executive Officer (“**CEO**”) may call a meeting of the Committee by notifying the Corporation’s Corporate Secretary, who will notify the members of the Committee.

A quorum at meetings of the Committee shall be its Chair and at least two of its other members or the Chairman of the Board. The Committee may hold its meetings, and members of the Committee may attend meetings, by means of teleconference.

The Committee may invite any officer or employee of the Corporation, legal counsel, the Corporation's governance or compensation advisors and any other persons to attend meetings and give presentations with respect to their area of responsibility, as considered necessary by the Committee.

The minutes of the Committee meetings shall accurately record the decisions reached and shall be distributed to the Committee members with copies to the Board, the CEO, the CFO or such other officers acting in those capacities.

A member of the Committee shall be available at the annual general meeting of the Corporation to respond to any shareholder questions on the activities and responsibilities of the Committee.

### **Authority**

The Committee is authorized by the Board to:

- Investigate any matter within its Terms of Reference
- Have direct communication with the Corporation's external party providing assurance on ESG.
- Seek any information it requires from any employee of the Corporation.
- Retain, at its discretion, outside legal or other advisors, at the expense of the Corporation, to obtain advice and assistance in respect of any matters relating to its duties.

### **Roles and Responsibilities**

The ESG Committee shall have the roles and responsibilities set out below as well as any other functions that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations.

- Assist the Board in establishing and monitoring the Corporation's ESG policies and practices.
- Propose changes as necessary from time to time to respond to ESG recommendations or guidelines from authorities or investors as well as changes in the Corporation's business environment.
- Assist the Board with an annual review of the Board and Committee structure.
- Ensure that the Corporation has in effect adequate policies and procedures to identify and manage the principal ESG risks of the Corporation's business.
- Review the main challenges the Corporation faces in ESG.
- Review and approve material ESG disclosure.
- Review and approve the external party assurance process and report.

### **Committee Effectiveness Procedures**

The Committee shall review its Terms of Reference on an annual basis, or more often as required, to ensure that they remain adequate and relevant, and incorporate any material changes in statutory and regulatory requirements and the Corporation's business environment. The procedures outlined in these Terms of Reference are meant to serve as guidelines, and the Committee may adopt such different or additional procedures as it deems necessary from time to time.

In setting the agenda for the meeting, the Chair shall encourage the Committee members, management and other members of the Board to provide input in order to address emerging issues.

Any written material provided to the Committee shall be relevant and concise and shall be distributed in advance of the respective meeting with sufficient time to allow Committee members to review and understand the information.

The Committee shall conduct an annual self-assessment of its performance and these Terms of Reference and shall make recommendations to the Corporate Governance and Nominating Committee with respect thereto.

Committee members shall be provided with an orientation program to educate them on the Corporation's ESG policies and practices.

**APPENDIX F — AMENDED STOCK OPTION PLAN**

**(see attached)**

**ARROW EXPLORATION CORP.**

**STOCK OPTION PLAN  
JUNE 6, 2022**

**ARTICLE 1  
DEFINITIONS AND INTERPRETATION**

**1.1 DEFINITIONS**

As used herein, unless anything in the subject matter or context is inconsistent therewith, the following terms shall have the meanings set forth below:

“**Administrator**” means such director or other senior officer or employee of the Company as may be designated as Administrator by the Board from time to time;

“**Award Date**” means the date on which the Board grants and announces a particular Option;

“**Blackout Period**” means a period: (i) formally imposed by the Company pursuant to its internal trading policies as a result of the *bona fide* existence of undisclosed material information; (ii) during which an Option Holder is prohibited from exercising, redeeming, or settling their Options; and (iii) which expires after the general disclosure of such material undisclosed information.

“**Board**” means the board of directors of the Company;

“**Company**” means Arrow Exploration Corp. and any subsidiary thereof, (within the meaning of the Securities Act), as the context may apply;

“**Consultant**” means, in relation to the Company, an individual (other than a Director, Officer or Employee of the Issuer or of any of its subsidiaries) or company that:

- (a) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Issuer or to any of its subsidiaries, other than services provided in relation to a distribution of securities;
- (b) provides the services under a written contract between the Company or any of its subsidiaries and the individual or the Company, as the case may be; and
- (c) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Issuer or of any of its subsidiaries.

“**Consultant Company**” means a Consultant that is a company.

“**Director**” means a director, Officer or Management Company Employee of the Company or any of its subsidiaries.

“**Eligible Participant**” means a Director, Employee or Consultant of the Company, or any other individual or person who may be granted an Option pursuant to the requirements of the Exchange.

“**Employee**” means:

- (a) an individual considered an employee under the *Income Tax Act*, Canada and for whom income tax and other deductions must be made at source;

- (b) an individual who works full time for the Company or a subsidiary providing services normally provided by an employee of the Company and who is subject to the same control and direction by the Company or its subsidiary over the details and methods of work as an employee of the Issuer or of the subsidiary, as the case may be, but for whom income tax deductions are not made at source; or
- (c) an individual who works for the Company on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Issuer or its subsidiary over the details and methods of work as an employee of the Issuer or of the subsidiary, as the case may be, but for whom income tax deductions are not made at source.

**“Exchange”** means the TSX Venture Exchange;

**“Exercise Notice”** means the notice respecting the exercise of an Option, in the form set out as Schedule “B” hereto, duly executed by the Option Holder;

**“Exercise Period”** means the period during which a particular Option may be exercised, being the period from and including the Award Date through to and including the Expiry Date;

**“Exercise Price”** means the price at which an Option may be exercised as determined in accordance with section 3.6;

**“Expiry Date”** means the date determined in accordance with section 3.3 and after which a particular Option cannot be exercised;

**“Insider”** means a Director or senior officer of the Company, a director or senior officer of a company that is an Insider or subsidiary of the Company, or a person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the Company.

**“Investor Relations Service Provider”** includes any Consultant that performs Investor Relations Activities and any Director, Officer or Employee whose role and duties primarily consist of Investor Relations Activities.

**“Investor Relations Activities”** has the meaning ascribed thereto in the Exchange’s corporate finance manual;

**“Management Company Employee”** means an individual employed by a Company providing management services to the Issuer, which services are required for the ongoing successful operation of the business enterprise of the Issuer;

**“Officer”** means an officer (as defined under Securities Laws) of the Company or of any of its subsidiaries.

**“Option”** means an option to acquire Shares, awarded to a Director, Employee or Consultant pursuant to the Plan;

**“Option Certificate”** means the certificate issued by the Corporation evidencing an Option;

**“Option Holder”** means a current or former Director, Employee or Consultant who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person;



**“Personal Representative”** means (i) in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and (ii) in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder;

**“Plan”** means this stock option plan;

**“Securities Act”** means the Securities Act (Alberta); and

**“Share”** or **“Shares”** means, as the case may be, one or more common shares without par value in the capital of the Company.

## **1.2 CHOICE OF LAW**

The Plan is established under, and the provisions of the Plan shall be interpreted and construed solely in accordance with, the laws of the Province of Alberta.

## **1.3 HEADINGS**

The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

# **ARTICLE 2 PURPOSE AND PARTICIPATION**

## **2.1 PURPOSE**

The purpose of the Plan is to provide the Company with a Share related mechanism to attract, retain and motivate Eligible Participants, to reward such of those persons by the grant of options under the Plan by the Board from time to time for their contributions toward the long term goals of the Company and to enable and encourage such persons to acquire Shares as long term investments.

## **2.2 PARTICIPATION**

Eligible Participants are eligible to participate in this Plan and to be granted Options hereunder. Except in relation to Consultant Companies, Options may be granted only to an individual or to a company that is wholly-owned by individuals entitled to receive Options hereunder. Any company which is granted Options, other than a Consultant Company, must agree, as a condition to such grant not to effect or permit any transfer of ownership or option of securities of it nor to issue further shares of any class to any other individual or entity as long as the Options remain outstanding, except with the prior written consent of the Exchange.

The Board shall, from time to time, in its sole discretion determine those Eligible Participants, if any, to whom Options are to be awarded. If the Board elects to award an Option to a Director, the Board shall, in its sole discretion but subject to section 3.2, determine the number of Shares to be acquired on the exercise of such Option. If the Board elects to award an Option to an Employee or Consultant, the number of Shares to be acquired on the exercise of such Option shall be determined by the Board in its sole discretion, and in so doing the Board may take into account the following criteria:

- (a) the person’s remuneration as at the Award Date in relation to the total remuneration payable by the Company to all of its Employees and Consultants as at the Award Date;
- (b) the length of time that the person has provided services to the Company; and

- (c) the nature and quality of work performed by the person.

When Options are granted to Employees or Consultants, the Company and the grantee are both responsible for ensuring and confirming that the grantee is a *bona fide* Employee or Consultant, as the case may be.

### **2.3 NOTIFICATION OF AWARD**

Following the approval by the Board of the awarding of an Option, the Administrator shall notify the Option Holder in writing of the award and shall enclose with such notice the Option Certificate representing the Option so awarded.

### **2.4 COPY OF PLAN**

Each Option Holder, concurrently with the notice of the award of the Option, shall be provided with a copy of this Plan. A copy of any amendment to the Plan shall be promptly provided by the Administrator to each Option Holder.

### **2.5 LIMITATION ON RIGHTS**

This Plan does not give any Option Holder who is a Director the right to serve or continue to serve as a Director, nor does it give any Option Holder who is an Employee or Consultant the right to be or to continue to be employed or engaged by the Company.

No Option granted under this Plan shall grant an Option Holder any rights as a Shareholder.

## **ARTICLE 3 TERMS AND CONDITIONS OF OPTIONS**

### **3.1 BOARD TO ALLOT SHARES**

The Shares to be issued to Option Holders upon the exercise of Options shall be allotted and authorized for issuance by the Board prior to the exercise thereof. The Board is authorized to set all other terms and conditions of the Options, subject to the terms of the Plan and the rules of the Exchange.

### **3.2 NUMBER OF SHARES**

The maximum number of Shares issuable under the Plan at any time, plus the number of Shares reserved for issue under all other security based compensation plans, shall not exceed 10% of the number of Shares of the Company issued and outstanding as of each Award Date, inclusive of all Shares presently reserved for issuance pursuant to previously granted stock options, unless approved by the Exchange and requisite Shareholder approval, if any, is obtained in advance in accordance with section 6.5 hereof.

Options that have been cancelled or that have expired without being exercised in full shall continue to be issuable under the Plan.

### **3.3 TERM OF OPTION**

Subject to section 3.6, the Expiry Date of an Option shall be the date so fixed by the Board at the time the particular Option is awarded, provided that such date shall not be later than the tenth anniversary of the Award Date of the Option.

### 3.4 EXTENSION IN THE EVENT OF BLACKOUT

If an option granted under this Plan expires while the holder thereof is subject to a Blackout Period, the expiry date of such option(s) shall automatically be extended to the date that is ten (10) business days after the conclusion of the Blackout Period. Following the expiry of the Blackout Period, the Company shall promptly notify each holder of such options that the Blackout Period has expired and of the extended expiry date of their options pursuant to this Section 3.4.

### 3.5 GRANT LIMITATIONS

Unless the Corporation has obtained the requisite disinterested Shareholder approval, the maximum aggregate number of Shares that are issuable pursuant to all security based compensation:

- (a) granted or issued to Insiders (as a group) must not exceed 10% of the issued and outstanding Shares at any point in time;
- (b) granted or issued in any 12 month period to Insiders (as a group) must not exceed 10% of the issued and outstanding Shares, calculated as at the date any security based compensation is granted or issued to any Insider; and
- (c) granted or issued in any 12 month period to any one person (or any Companies that are wholly owned by that person) must not exceed 5% of the Issued Shares of the Issuer, calculated as at the Award Date.

The total number of Shares issuable pursuant to Options to any one Consultant shall not exceed 2% of the issued and outstanding Shares of the Company at the Award Date.

The maximum aggregate number of Shares issuable pursuant to all Options granted in any 12 month period to all Investor Relations Service Providers must not exceed 2% of the Issued Shares of the Issuer, calculated as at the Award Date.

### 3.6 TERMINATION OF OPTION

An Option Holder may exercise an Option that has vested in whole or in part at any time or from time to time during the Exercise Period provided that, with respect to the exercise of part of an Option, the Board may at any time and from time to time fix limits, vesting requirements or restrictions in respect of which an Option Holder may exercise part of any Option held by him. Any Option or part thereof not exercised within the Exercise Period shall terminate and become null, void and of no effect as of 5:00 p.m. (Calgary time) on the Expiry Date. The Expiry Date of an Option shall be the earlier of the date so fixed by the Board in accordance with section 3.3 above, and the date established, if applicable, in subsections (a) to (c) below.

- (a) Death

In the event that the Option Holder should die while he or she is still (i) a Director, Officer or Employee, (other than an Employee performing Investor Relations Activities) the Expiry Date shall be 12 months from the date of death of the Option Holder; or (ii) a Consultant, or an Employee performing Investor Relations Activities, the Expiry Date shall be one month from the date of death of the Option Holder.

(b) Ceasing to Hold Office

In the event that the Option Holder holds his or her Option as Director and such Option Holder ceases to be a Director of the Company other than by reason of death, the Expiry Date of the Option shall be the 90th day following the date the Option Holder ceases to be a Director of the Company unless the Option Holder continues to be engaged by the Company as an Employee or Consultant, in which case the Expiry Date shall remain unchanged. However, if the Option Holder ceases to be a Director of the Company as a result of:

- (i) ceasing to meet the qualifications set forth in section 105 of the *Business Corporations Act* (Alberta); or
- (ii) a special resolution having been passed by the members of the Company pursuant to sections 108 and 109 of the *Business Corporations Act* (Alberta),

then the Expiry Date shall be the date the Option Holder ceases to be a Director of the Company.

(c) Ceasing to be Employed

In the event that the Option Holder holds his or her Option as an Employee or Consultant of the Company (other than an Employee or Consultant performing Investor Relations Activities) and such Option Holder ceases to be an Employee or Consultant of the Company other than by reason of death, the Expiry Date of the Option shall be the 30th day following the date the Option Holder ceases to be an Employee or Consultant of the Company unless the Option Holder ceases to be such as a result of:

- (i) termination for cause; or
- (ii) an order of the Alberta Securities Commission, the Exchange, or any regulatory body having jurisdiction to so order,

in which case the Expiry Date shall be the date the Option Holder ceases to be an Employee or Consultant of the Company.

(d) Ceasing to Perform Investor Relations Activities

Notwithstanding the paragraph (c) immediately above, in the event that the Option Holder holds his or her Option as an Employee or Consultant of the Company who provides Investor Relations Activities on behalf of the Company, and such Option Holder ceases to be an Employee or Consultant of the Company other than by reason of death, the Expiry Date shall be the date the Option Holder ceases to be an Employee or Consultant of the Company.

### 3.7 ADJUSTMENTS

(a) For the purposes of this section, “**Change of Control**” shall include:

- (i) the acquisition by any persons acting jointly or in concert (as determined by the Securities Act (Alberta)), whether directly or indirectly, of common shares of the Company that, together with all other common shares of the Company held by

such persons, constitute in the aggregate more than 50% of all outstanding voting securities of the Company;

- (ii) an amalgamation, arrangement or other form of business combination of the Company with another corporation that results in the holders of voting securities of that other corporation holding, in the aggregate, more than 50% of all outstanding voting securities of the corporation resulting from the business combination;
  - (iii) the sale, lease or exchange of all or substantially all of the property of the Company to another person, other than in the ordinary course of business of the Company or to a related entity; or
  - (iv) any other transaction that is deemed to be a "Change of Control" for the purposes of this Plan by the Board in its sole discretion.
- (b) The number of Shares delivered to an Option Holder upon exercise of an Option must be adjusted in the following events and manner, subject to the right of the Board to make such additional or other adjustments as it considers appropriate in the circumstances:
- (i) upon a subdivision of the Shares into a greater number of Shares, a consolidation of the Shares into a lesser number of Shares or the issue of a stock dividend to holders of the Shares (other than dividends in the ordinary course), the number of Shares authorized to be issued under the Plan, the number of Shares receivable on the exercise of an option and the exercise price thereof will be increased or reduced proportionately and the Company will deliver upon the exercise of an option, in addition to or in lieu of the number of optioned shares in respect of which the right to purchase is being exercised and without the Option Holder making any additional payment, such greater or lesser number of Shares as results from the subdivision, consolidation or stock dividend; and
  - (ii) upon a capital reorganization, reclassification or change of the Shares, a consolidation, merger, amalgamation, arrangement or other form of corporate reorganization or combination of the Company with another corporation or a sale, lease or exchange of all or substantially all of the assets of the Company, the Company will deliver upon exercise of an Option, in lieu of the optioned Shares in respect of which the right to purchase is being exercised, the kind and amount of shares or other securities or assets as result from such event,

provided that any such adjustment, other than in connection with a security consolidation or security split, shall be subject to prior acceptance by the Exchange.

The purpose of such adjustments is to ensure that any Option Holder exercising an Option after any such event will be in the same position as such Option Holder would have been in if he or she had exercised the Option prior to such event. Such adjustment will take effect at the time of the event giving rise to the adjustment, and the adjustments provided for in this subsection are cumulative.

- (c) Notwithstanding any other provision herein, in the event of a proposed Change of Control, the Board may, as deemed necessary or equitable by the Board in its sole discretion, determine the manner in which all unexercised Options granted under the Plan will be treated including, for example, requiring the acceleration (conditionally or otherwise) of the time for the exercise of such Options by the Option Holder and of the

time for the fulfillment of any conditions or restrictions on such exercise, subject to the rights provided to Option Holders set forth in subsection 3.7 (d). All determinations of the Board under this Section will be binding for all purposes of the Plan. If the Board elects to accelerate (conditionally or otherwise) the vesting of any or all outstanding Options immediately prior to the completion of any such transaction, it may also determine that all such outstanding Options will be purchased by the Company or a related entity for an amount per option equal to the "Transaction Price" (as defined below), less the applicable Exercise Price (except that where the Exercise Price exceeds the Transaction Price, the amount per option for such options will be \$0.01), as of the date such transaction is determined to have occurred or as of such other date prior to the transaction closing date as the Board may determine. For purposes of this paragraph, "**Transaction Price**" means the fair market value of a Share based on the consideration payable in the applicable transaction as determined by the Board.

- (d) If an Offer is made which, if successful, would result in a Change of Control, then all unexercised and unvested outstanding options shall immediately vest and become exercisable by the Option Holders, notwithstanding any other vesting provisions in the Plan or in an option agreement, as to all or any of the Shares in respect of which such options have not previously been exercised, but such shares may only be purchased for tender pursuant to such Offer. If for any reason such Shares are not taken up and paid for by the offeror pursuant to the Offer, any such Shares so purchased by an Option Holder shall be deemed to be cancelled and returned to the treasury of the Company, shall be added back to the number of Shares remaining available under the Plan and, upon presentation to the Company of share certificates representing such shares properly endorsed for transfer back to the Company, the Company shall refund to the Option Holder all consideration paid for such shares and, in such event, the Option Holder shall thereafter continue to hold the same number of unexercised and unvested outstanding options on the same terms and conditions, including the exercise price thereof, as were applicable thereto immediately prior to time the subject Offer was made. For purposes of this subsection, "**Offer**" means an offer made generally to the holders of Shares in one or more jurisdictions to acquire, directly or indirectly, Shares and which is in the nature of a "takeover bid" as defined in the Securities Act, as amended, and where the Offer is not exempt from the formal bid requirements of the Securities Act.
- (e) The Company will not be required to issue fractional Shares or other securities under the Plan and any fractional interest in a Share or other security that would otherwise be delivered upon the exercise of an Option will be cancelled.
- (f) Except as expressly provided in this Section or as determined by the Board, neither the issue by the Company of shares of any class or securities convertible into or exchangeable for shares of any class, nor the conversion or exchange of such shares or securities, affects, and no adjustment by reason thereof is to be made with respect to, the number of Shares that may be acquired on the exercise of any outstanding Option or the exercise price of any outstanding Option.

### **3.8 EXERCISE PRICE**

The Exercise Price shall be that price per Share, as determined by the Board in its sole discretion, and announced as of the Award Date, at which an Option Holder may purchase a Share upon the exercise of an Option, provided that it shall not be less than the closing price of the Company's Shares traded through the facilities of the Exchange (or, if the Shares are no longer listed for trading on the Exchange, then such other exchange or quotation system on which the Shares are listed or quoted for trading) on

the day preceding the Award Date, less any discount permitted by the Exchange, or such other price as may be required or permitted by the Exchange.

### **3.9 ASSIGNMENT OF OPTIONS**

Options may not be assigned or transferred, and all Option Certificates will be so legended, including with any applicable Exchange legend, provided however that the Personal Representatives of an Option Holder may, to the extent permitted by section 4.1, exercise the Option within the Exercise Period.

### **3.10 RIGHT TO TERMINATE OPTIONS ON SALE OF COMPANY**

Notwithstanding any other provision of this Plan, if the Board at any time by resolution declares it advisable to do so in connection with any proposed sale or conveyance of all or substantially all of the property and assets of the Company or any proposed merger, consolidation, amalgamation or offer to acquire all of the outstanding Shares (collectively, the "**Proposed Transaction**"), the Company may give written notice to all Option Holders advising them that, within 30 days after the date of the notice and not thereafter, each Option Holder must advise the Board whether the Option Holder desires to exercise its Options prior to the closing of the Proposed Transaction, and that upon the failure of an Option Holder to provide such notice within the 30-day period, all rights of the Option Holder will terminate, provided that the Proposed Transaction is completed within 180 days after the date of the notice. If the Proposed Transaction is not completed within the 180-day period, no right under any Option will be exercised or affected by the notice, except that the Option may not be exercised between the date of expiration of the 30-day period and the day after the expiration of the 180-day period. If an Option Holder gives notice that the Option Holder desires to exercise its Options prior to the closing of the Proposed Transaction, then all Options which the Option Holder elected by notice to exercise will be exercised immediately prior to the effective date of the Proposed Transaction or such earlier time as may be required to complete the Proposed Transaction.

### **3.11 EXERCISE RESTRICTIONS**

The Board may, at the time an Option is awarded or upon renegotiation of the same, attach restrictions relating to the exercise of the Option, including vesting provisions, provided that no Options may vest before the date that is one year following date it is granted, subject to earlier vesting in those circumstances set forth in this Option Plan. In the event of the death of an Option Holder, their Options may be exercised within the earlier of the expiry date and a period of time not exceeding 12 months, and only to the extent the Optionee was entitled to exercise the Options at the date of death.

Notwithstanding the above, Options issued to Investor Relations Service Providers must vest in stages over at least twelve months with not more than one quarter of the Options vesting in any three month period.

All such restrictions shall be recorded on the applicable Option Certificate.

### **3.12 REPRESENTATIONS**

For Options granted to Employees, Consultants or Management Company Employees, the Company will represent that the Option Holder is a *bona fide* Employee, Consultant or Management Company Employee, as the case may be.

## **ARTICLE 4 EXERCISE OF OPTION**

### **4.1 EXERCISE OF OPTION**

An Option may be exercised only by the Option Holder or his Personal Representative. An Option Holder or his Personal Representative may exercise an Option in whole or in part, subject to any applicable exercise restrictions, at any time or from time to time during the Exercise Period up to 5:00 p.m. (Vancouver time) on the Expiry Date by delivering to the Administrator an Exercise Notice, the applicable Option Certificate and a certified cheque or bank draft payable to the Company in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Option.

### **4.2 ISSUE OF SHARE CERTIFICATES**

As soon as practicable following the receipt of the Exercise Notice, the Administrator shall cause to be delivered to the Option Holder a certificate for the Shares so purchased. If the number of Shares so purchased is less than the number of Shares subject to the Option Certificate surrendered, the Administrator shall forward a new Option Certificate to the Option Holder concurrently with delivery of the aforesaid share certificate for the balance of the Shares available under the Option.

### **4.3 CONDITION OF ISSUE**

The issue of Shares by the Company pursuant to the exercise of an Option is subject to this Plan and compliance with the laws, rules and regulations of all regulatory bodies applicable to the issuance and distribution of such Shares and to the listing requirements of any stock exchange or exchanges on which the Shares may be listed. The Option Holder agrees to comply with all such laws, rules and regulations and agrees to furnish to the Company any information, report and/or undertakings required to comply with and to fully cooperate with the Company in complying with such laws, rules and regulations.

### **4.4 MONITORING OF TRADES**

An Option Holder who performs Investor Relations Activities shall provide written notice to the Board of each of his trades of securities of the Company, within five business days of each trade.

### **4.5 WITHHOLDINGS**

To the extent required under applicable law or regulation, the Company shall be entitled to take all reasonable and necessary steps, including the sale of any Shares issued upon the exercise of an Option (other than a redemption or purchase for cancellation), or obtain all reasonable or necessary indemnities, assurances or undertakings to satisfy any tax remittance obligations of the Company or any subsidiary to any taxing authorities arising in respect of the Option Holder's exercise of the Option granted or any other stock options heretofore granted by the Company to the Option Holder and the President of the Company be and is hereby appointed as the irrevocable attorney-in-fact for the Option Holder to take all such reasonable and necessary steps or Share sales. The Company does not accept responsibility for the price obtained on the sale of such Shares.

Option Holders (or their beneficiaries) shall be responsible for all taxes with respect to any Options under the Plan or any Option agreement, whether as a result of the grant or exercise of Options or otherwise. The Company makes no guarantee to any person regarding the tax treatment of Options or payments made under the Plan or any Option agreement and none of the Company, or any of its employees or representatives shall have any liability to the Option Holder with respect thereto.



## **ARTICLE 5 ADMINISTRATION**

### **5.1 ADMINISTRATION**

The Plan shall be administered by the Board, or an Administrator on the instructions of the Board or such committee of the Board formed in respect of matters relating to the Plan. The Board or such committee may make, amend and repeal at any time and from time to time such regulations not inconsistent with this Plan as it may deem necessary or advisable for the proper administration and operation of this Plan and such regulations shall form part of this Plan. The Board may delegate to the Administrator or any Director, Employee or officer of the Company such administrative duties and powers as it may see fit.

### **5.2 INTERPRETATION**

The interpretation by the Board or its authorized committee of any of the provisions of this Plan and any determination by it pursuant thereto shall be final and conclusive and shall not be subject to any dispute by any Option Holder. No member of the Board or any person acting pursuant to authority delegated by the Board hereunder shall be liable for any action or determination in connection with this Plan made or taken in good faith and each member of the Board and each such person shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Company.

## **ARTICLE 6 APPROVALS, AMENDMENTS AND TERMINATION**

### **6.1 APPROVALS REQUIRED FOR PLAN**

Prior to its implementation by the Company, this Plan is subject to the receipt of approval by the shareholders of the Company at a general meeting and approval of the Exchange.

### **6.2 PROSPECTIVE AMENDMENT**

Subject to applicable regulatory approval, the Board may from time to time amend this Plan and the terms and conditions of any Option thereafter to be awarded and, without limiting the generality of the foregoing, may make such amendments for the purpose of meeting any changes in any relevant law, Exchange policy, rule or regulation applicable to this Plan, any Option or the Shares, or for any other purpose which may be permitted by all relevant laws, rules and regulations, provided always that any such amendment shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to such amendment.

### **6.3 RETROACTIVE AMENDMENT**

Subject to applicable regulatory approval, the Board may from time to time retroactively amend this Plan and may also, with the consent of the affected Option Holders, retroactively amend the terms and conditions of any Options which have been previously awarded.

### **6.4 EXCHANGE APPROVAL**

With the consent of affected Option Holders, the Board may amend the terms of any outstanding Option so as to reduce the number of optioned Shares, increase the Exercise Price, or cancel an Option without Exchange approval. Any other amendment will be subject to receiving prior Exchange approval.

## **6.5 SHAREHOLDER APPROVAL**

This Plan must be approved by the Company's shareholders annually, at a duly called meeting of the shareholders. Shareholder approval (including disinterested shareholder approval) shall also be obtained when and if required by the applicable policies of the Exchange in connection with the grant, extension, reduction in exercise price or other amendment of any Option; provided that, notwithstanding the foregoing, disinterested Shareholder approval will be obtained for any reduction in the exercise price of an Option, or the extension of the term of an Option, if the holder is an Insider at the time of the proposed amendment.

## **6.6 TERMINATION**

The Board may terminate this Plan at any time provided that such termination shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to the date of such termination and notwithstanding such termination the Company, such Options and such Option Holders shall continue to be, governed by the provisions of this Plan.

## **6.7 AGREEMENT**

The Company and every person to whom an Option is awarded hereunder shall be bound by and subject to the terms and conditions of this Plan.